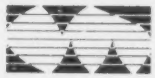
Ratio Study

1983-84 Edition

International Business Forms Industries, Inc.



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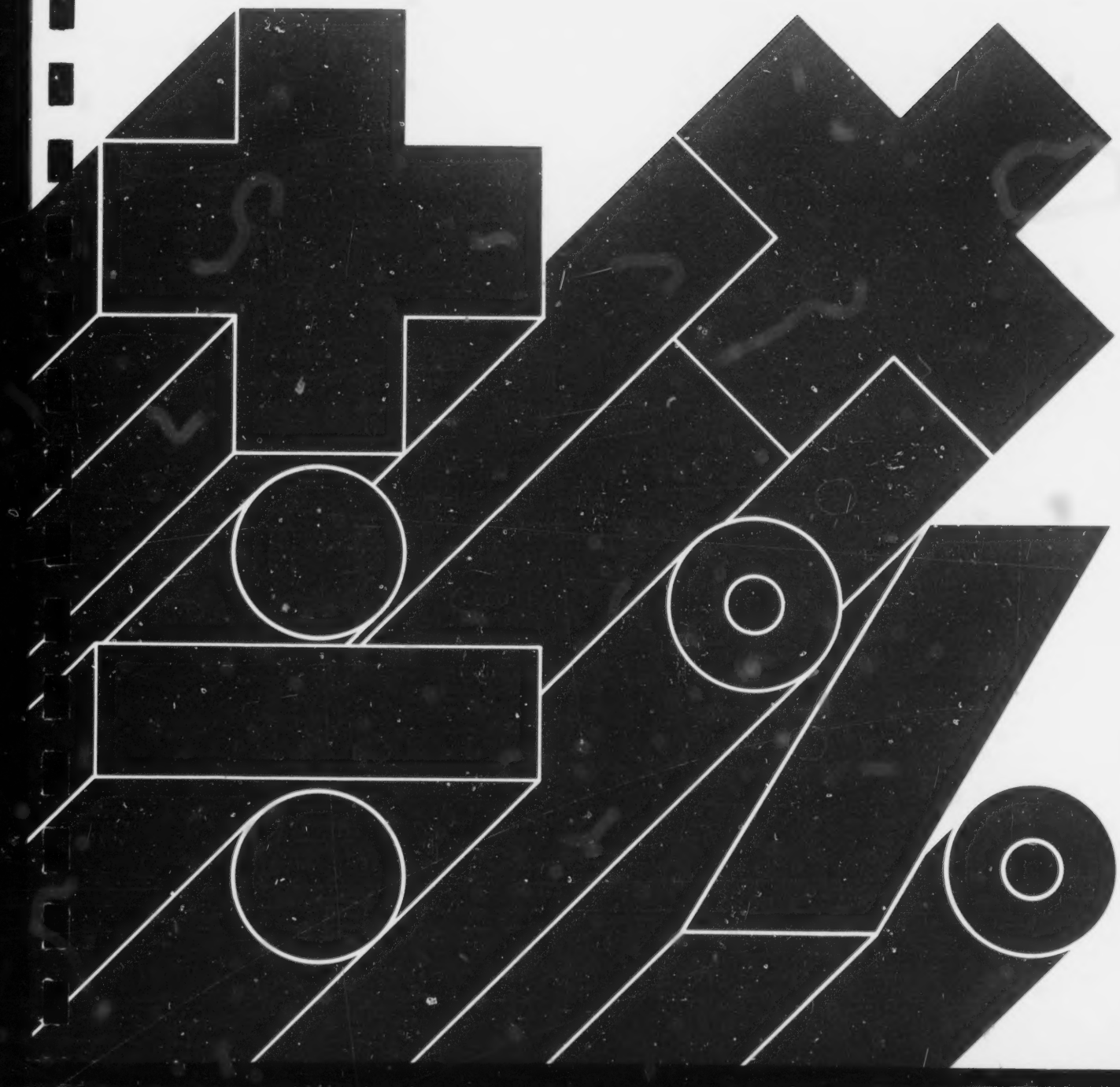

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1983-84 ANNUAL RATIO STUDY

Prepared at the direction of the IBFI Financial Management Committee of International Business Forms Industries, Inc./PIA, for the benefit of the Industry and its customers.

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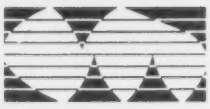
IMPLEMENTATION BY THE ECONOMIC AND MARKET RESEARCH DEPT., IBFI

International Business Forms Industries, Inc.



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INTRODUCTION

A NOTE TO PARTICIPANTS IN THIS SURVEY

This report was prepared with the assistance of Feddeman, Lesche Inc. This is a Washington, D.C. - based accounting and financial consulting firm which has built up an impressive familiarity with the special needs of trade associations and their memberships. Feddeman, Lesche takes every possible step to protect the confidentiality of participants' financial data while a dual coding system ensures that neither IBFI nor Feddeman, Lesche can identify specific questionnaires with specific names.

Feddeman, Lesche conducted the study according to the IBFI Guidelines for Research Programs. While the source data used to prepare the various schedules were not audited by them, they did review the reports for completeness, accuracy and plausibility. Where necessary, participants were contacted on questionable items. Published data does not include information based on fewer than three responses nor does it include information in which more than 60 per cent of the observed variable is due to a single response.

Please remember that comparing the data in this report with that in reports published in prior years can be misleading unless great care is taken. Although the bulk of the participants make an annual response to this survey, in any given category the sample can change quite significantly.

FEDDEMAN & LESCHE
CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE (202) 466-5876

1226 SEVENTEENTH STREET, N. W.
WASHINGTON, D. C. 20036

To Participants
International Business Forms
Industries, Inc.
Operating Cost Survey

We have tabulated the International Business Forms Industries, Inc. Operating Cost Survey for the year ended December 31, 1983.

Seventy-five companies participated in the survey. All participants will receive individual reports which have been prepared in confidence by Feddeman & Lesche.

The data shown are derived from amounts reported to us by the participants. Source data should not be construed as having been audited by us; however, we have reviewed the questionnaires for clerical errors and missing data and, where necessary, corresponded with the reporting companies on questionable items.

If you have any questions regarding this report, please do not hesitate to contact us.

Very truly yours,

Feddeman & Lesche

Enclosures

EXECUTIVE SUMMARY

The beginning of 1983 ushered in one of the toughest periods in the U.S. forms industry's history. Forms manufacturers were simultaneously facing severe price competition, sharply rising raw material costs, and new pressures on wages as the economy began expanding at a rapid rate. This expansion, though of course welcome news for the longer term, came to many other industries six to nine months before it benefited our own, thus serving to heighten the sense of frustration.

During 1983's first quarter in particular, many companies saw red ink on their books. Nor was there much improvement until we were well into the third quarter of the year. Fortunately, however, when the recovery finally came to the forms industry, it came on as strongly as it had done in the overall economy. In terms of orders and shipments, the fourth quarter of 1983 was the strongest quarter the industry has yet seen. Both gross and net margins improved accordingly, and it can truly be said that this quarter "saved the year".

In fact, the fourth quarter was strong enough to bring average net pre-tax income levels up substantially. After running to around five percent (5%) on average during the first three quarters (see IBFI's quarterly Business Conditions Survey), pre-tax income as a percentage of sales was pulled up to 6.9% for the year as a whole as a result of the strength of the fourth quarter. Other significant ratios showed similar improvements. This is a very good result for such a year and clearly demonstrates the fact that the forms industry remains a growth market.

MAKING THE RATIOS PAYOFF

Looking for Differences: The Law of Exception

Analyzing the Ratio Study can be a source of money-saving, profit-making ideas for your company. Improper use of the ratios can also be the source of disaster. The ratio results were not meant to be the last word on how things ought to be. They only describe how a group of different companies have performed under a variety of conditions. Literally accepting and applying the ratios as company goals could mean adopting a company strategy that is wholly inappropriate for the circumstances that the company finds itself in.

The key to successful use of the Ratio Study is recognizing that there will be differences between your company and the ratio averages. Some of these differences are because of the products you sell, or the way you market, or the size of your operation. The different arrays in the Ratio Study help to take these things into account. Other differences exist because of the way you have organized your company and directed its resources to getting the job done. These are the differences you ought to be looking for in the ratios. The Law of Exception states that the key to controlling your company is identifying the differences between your firm and the industry and then determining why your firm is an exception.

Seven Rules for Ratio Analysis

Before plunging ahead, it's important to keep in mind that numbers are not always what they seem. Any analysis of the ratios should look behind the numbers to see what they are composed of and how they are computed. Following these seven rules should help avoid being misled by the numbers.

1. Compare like items and numbers. Make sure that your accounts follow the IBFI Chart of Accounts so that each line item is comparable to the ratio averages. This chart of accounts is included at the end of the book.

2. Analyze all substantial deviations from the norm, both highs and lows. There are two messages in this rule. The first is not to squander time on small differences. You might want to limit analysis to only those items where you are some percentage, like 25% for instance, higher or lower than norm. The second point is to look at both highs and lows. Many companies tend to look at only the items where they exceed the ratios, forgetting that low items may point to some strength that could be used to advantage.

3. Ignore isolated numbers. Look at more than one ratio before coming to any conclusions.

4. Look at both the numerator and the denominator. A ratio is usually made up of one number divided by another, each one of which could be the source of the deviation.

5. Recognize compensating advantages. Salaries and benefits to owners of closely-held companies, for instance, may be higher than those paid to managers of publicly-held companies while profits may be lower.

6. Consider seasonal variations. The industries you serve may have a different cycle than the norm.

7. Critically review trends. Look at the direction of changes in your ratios over a number of years.

A Constructive Approach to Analysis

Once you are sure of the numbers behind the differences, the hardest task is figuring out the reasons for these differences in a constructive way. That means not making qualitative judgements about whether the differences are good or bad and especially not putting anyone on the defensive. A well-regarded forms executive described his very simple approach to the ratios which is worth passing on. He grouped his various cost centers according to the ratio chart of accounts. He then removed his company's information from the ratio averages. (A simple process since the ratios are unweighted averages. Simply multiply the published ratio by the number of firms, subtract your ratios from that result and divide by the number of firms minus yours.) He compared the results to find any that differed from his, even in different size companies. Then he tried to figure out why or how the differences occurred. The people with the responsibility for each cost center were given his facts and analyses of the results, but were not put on the defensive. He describes the process as kind of a game which resulted in a healthy approach to improvement, better efficiency, and sometimes lower costs. His firm, incidentally, has been in the "profit Leaders" category in each of the last 10 years!

Sources of Difference

Finding valid reasons for differences is not always easy. Perhaps the following can provide the beginning of a checklist.

Product Complexity - Generally increasing product complexity means higher value added. It could also explain why some cost centers, where the complex work is done, are higher than average while others are lower. More complexity may also require higher capital investment; more highly skilled, higher paid people, or more working capital. The following are possible variations of product complexity:

a. Custom design versus stock or stock format
b. Number of parts and variablity of copy between parts
c. Amount of copy
d. Use of color
e. Use of special materials
f. Number and kinds of processing operations required

Manufacturing Capabilities - The resources that a firm has available in terms of equipment and people not only affects the levels of costs and investment but also may account for different distribution of costs among various cost centers. Among the considerations are:

a. Camera-ready copy versus in-house composition
b. Age, size and speed of presses and collators
c. Use of unit presses
d. Degree of equipment specialization
e. In-house carbon coating
f. Scale of the operation

Production Management - The way a company has organized its resources and its approach to each particular job affects value added, profitability, working capital requirements, in fact, just about every ratio there is. Some of the more significant management activities are:

a. Plant layout; work flow
b. Scheduling; manning
c. Inventory control; waste management
d. Number of shifts; use of overtime
e. On-line versus off-line operations; split of processing operations among presses, collators, other equipment.
f. Make or buy decision
g. Training and supervision
h. Manufacture to stock or to order

Markets Served/Market Strategies - Marketing decisions affect the kind of work that comes in, how well it fits the company's capabilities, how profitable it will be, and even how the product will be made. Marketing strategies will also impact on working capital requirements and capital investment decisions. Some specific marketing activities are:

a. Order sizes
b. Discount policies
c. Credit policies
d. Pricing; concessions policies
e. Breadth of product line offered
f. Brokered business taken or given
g. Order turn-around
h. Dealer-direct mix
i. Customer services
j. Price list development
k. Size of market area

Alternative Analyses

The overall ratios in this report and the individual ratios mailed to each participant all set the value of sales equal to 100 and analyze costs and profits as a percentage of that value. Because the different marketing channels and product specialties in this industry can create sharply different costs of sales and gross profit percentages, the <u>real</u> differences are not always apparent. Another way to look at the results is on a cost of production basis. In this analysis the total cost of production is set equal to 100 and the line items which comprise it are computed as percentages. In many cases this analysis gives the best comparison of manufacturing efficiencies.

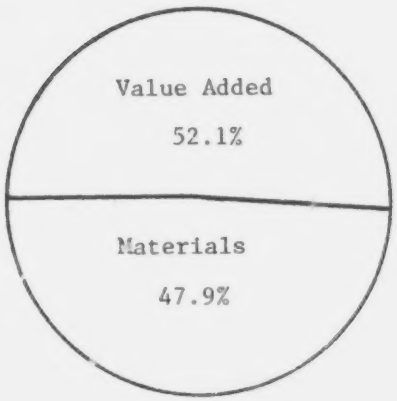
COST OF PRODUCTION ANALYSIS

	Materials						
	Paper	Carbon	Other	Total	Factory Payroll	Other Factory	TOTAL
ALL FIRMS	48.2	6.9	6.5	61.5	25.5	12.9	100.0
Leaders	52.3	6.9	5.3	64.5	23.4	12.1	100.0
Under $3 million	37.9	6.4	10.9	55.2	27.8	17.0	100.0
$3 - $8 million	42.6	8.0	5.9	56.5	29.1	14.4	100.0
$8 - $15 million	44.5	5.9	7.8	58.2	28.3	13.5	100.0
Over $15 million	51.3	6.7	6.1	64.1	23.6	12.3	100.0
Direct	47.8	6.8	9.6	64.2	22.8	13.0	100.0
Indirect	43.8	5.9	4.3	54.0	31.5	14.5	100.0
Direct							
Custom	30.0	9.7	17.2	56.9	28.4	14.7	100.0
Sets	34.7	4.4	16.8	55.9	29.5	14.6	100.0
Mixed	50.8	6.5	7.9	65.2	21.7	13.1	100.0
Indirect							
Custom	43.4	4.4	4.8	52.6	33.2	14.2	100.0
Sets	43.1	7.5	3.7	54.3	31.0	14.7	100.0
Mixed	43.7	7.4	2.7	53.8	30.2	16.0	100.0

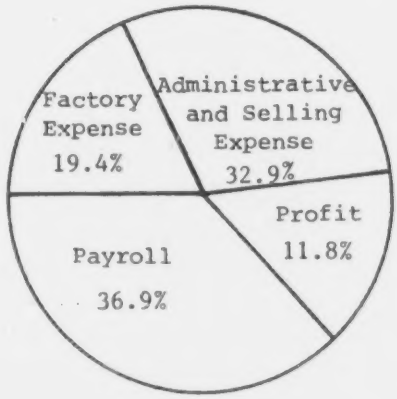
Value Added Approach

A second way to examine the ratios is to separate the cost of items the company buys from what the company puts into the finished product, that is, value added. Value added is the reflection of management's ability to successfully produce and sell the company's products. It is value added, not sales, that enables companies to meet the payroll, invest in equipment, and generate working capital for growth. In short, value added is what the company is all about.

Sales = 100%



Value Added = 100%



(Above figures include outside purchases of finished products.)

As the simple diagrams illustrate, suppliers take about 48% of the average firm's sales dollar, leaving over 52% of that dollar within management's control. Of course, that share varies from 20% to as high as 75% depending on the company and the product. After product differences, the next major difference in value added among companies comes from market channel orientation since direct sales companies retain all of the value added that dealer sales companies must share with the distributor. A third major source of higher value added comes from pricing. Finally, the profit aspect of value added reflects the intrinsic value to the customer that the company has built into the product or the efficiency with which managers have organized to make the product.

VALUE ADDED ANALYSIS *

	All Firms	Leaders	$0-3 Million	$3-8 Million	$8-15 Million	Over $15 Million
Sales	100.0	100.0	100.0	100.0	100.0	100.0
Direct Materials	50.99	49.45	50.36	48.27	46.89	52.79
Value Added	49.01	50.55	49.64	51.73	53.11	47.21
			(as percent of value added):			
Factory Payroll	36.7	32.9	38.2	40.9	34.9	34.0
Factory Expense	18.7	17.0	23.3	20.2	19.2	17.7
Admin. Expense	13.6	12.5	15.9	13.6	11.6	13.8
Sales Expense	18.2	18.3	17.6	14.0	15.4	20.0
Operating Profit	12.8	19.3	5.0	11.3	18.9	14.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

* Does not include outside purchases of finished products.

VALUE ADDED ANALYSIS, Cont'd.

DIRECT

	All Firms	Continuous Custom	Unit Sets	Mixed Product
Sales	100.0	100.0	100.0	100.0
Direct Materials	55.35	52.38	63.75	55.39
Value Added	44.65	47.62	36.25	44.61
(as percent of value added):				
Factory Payroll	31.1	36.3	37.9	30.1
Factory Expense	17.8	18.7	17.3	17.7
Admin. Expense	14.6	13.3	16.5	14.7
Sales Expense	24.2	26.7	26.8	23.7
Operating Profit	12.3	5.0	1.5	13.8
TOTAL	100.0	100.0	100.0	100.0

INDIRECT

	All Firms	Continuous Custom	Unit Sets	Mixed Product
Sales	100.0	100.0	100.0	100.0
Direct Materials	43.24	41.15	44.42	45.40
Value Added	56.76	58.85	55.58	54.60
(as percent of value added):				
Factory Payroll	37.9	38.9	39.3	32.5
Factory Expense	23.2	19.2	18.7	16.9
Admin. Expense	15.8	12.9	11.3	8.4
Sales Expense	17.4	13.4	15.0	19.1
Operating Profit	5.7	15.6	15.7	23.1
TOTAL	100.0	100.0	100.0	100.0

ABSOLUTE DATA AND RATIOS FOR ALL FIRMS

ABSOLUTE DATA

	# of Firms	Total Sales	Value of Production	Pretax Net Income	Total Assets	Workers
ALL FIRMS	60	783,620,118	714,458,578	50,853,711	408,173,562	9,171
By Company Size:						
$0-3 million	10	20,146,145	18,675,913	94,470	12,063,542	356
$3-8 million	28	143,911,417	136,899,271	8,012,333	67,849,619	2,105
$8-15 million	11	107,888,324	104,405,680	7,987,338	64,382,933	1,363
$15+ millions	11	417,832,324	361,770,656	34,759,570	263,877,468	5,347
By Market:						
Direct	20	377,919,918	312,770,656	22,112,680	176,921,897	4,068
Indirect	38	308,356,252	305,258,788	20,964,833	175,021,758	4,393
Combination	2	(insufficient data)				
By Product:						
Cont. Custom:						
Direct	5	40,008,316	35,788,504	797,443	21,281,427	514
Indirect	13	162,223,665	161,294,043	12,852,103	101,350,920	2,151
Unit Sets:						
Direct	4	12,779,855	9,830,527	25,243	4,870,075	201
Indirect	9	45,561,495	45,271,053	1,427,761	21,151,025	728
Mixed Product:						
Direct	11	325,131,747	267,151,625	21,289,994	150,770,395	3,353
Indirect	15	94,197,845	92,320,445	6,156,997	49,697,019	1,463
By Order Size: (# of impressions)						
0-10,000	16	111,456,891	107,809,648	10,393,963	65,559,328	1,650
10-25,000	33	317,179,493	305,642,873	19,958,135	151,553,110	4,180
25-50,000	8	227,966,301	175,213,703	11,150,528	113,304,585	2,366
50-100,000	1	(insufficient data)				
Over 100,000	2	(insufficient data)				

NOTES ON COMPUTING RATIOS

Gross plant investment is the total of all fixed assets before depreciation. Investment used to compute ROI is gross plant investment plus current assets.

Inventory turnover is expressed as times per year. It is total value of production divided by total inventories.

Days raw materials in inventory is computed by dividing raw materials inventory by total materials used divided by 365 days.

Collection days of receivables is computed by dividing accounts receivable by value of production divided by 365 days.

Cash flow ROI is computed by multiplying pretax net income by 50% and adding depreciation. Net losses are deducted from depreciation.

Other ratios are self-explanatory. See the chart of accounts for a description of items included in each account.

	I.B.F.I. ALL FIRMS	LEADERS
VALUE OF PRODUCTS MANUFACTURED	96.86	98.15
OUTSIDE PURCHASES	3.14	1.85
VALUE OF PRODUCTION	100.00	100.00
COST OF PRODUCTION		
MATERIALS		
PAPER	37.49	38.56
CARBON	5.33	5.11
OTHER	2.50	1.78
OUTSIDE FINISHED PRODUCT	2.52	2.14
TOTAL MATERIALS USED	47.85	47.60
FACTORY PAYROLL		
SUPERVISORY SALARIES	2.24	2.28
WAGES DIRECT		
PREPRESS	1.74	1.64
PRESS	5.05	4.24
COLLATOR OPERATORS	2.78	2.52
GENERAL BINDERY	.85	.66
TOTAL DIRECT WAGES	10.42	9.05
DIRECT OVERTIME WAGES	.74	.63
GENERAL FACTORY SALARIES AND WAGES	2.87	1.98
PACKING SHIPPING AND DELIVERY WAGES	.89	1.03
PAYROLL TAXES	1.37	1.24
EMPLOYEE BENEFITS	2.04	1.69
TOTAL FACTORY PAYROLL	19.81	17.26
FACTORY FIXED EXPENSES		
OCCUPANCY EXPENSE	2.03	1.47
INSURANCE	.24	.17
TAXES	.43	.40
DEPRECIATION	2.66	2.11
TOTAL FACTORY FIXED EXPENSES	5.35	4.15
OTHER FACTORY SUPPLIES AND EXPENSE	4.75	4.77
TOTAL FACTORY EXPENSE	10.10	8.92
TOTAL COST OF PRODUCTION	77.76	73.78
GROSS PROFIT-FORMS MANUFACTURING	22.24	26.22
OTHER OPERATIONS		
VALUE OF OTHER PRODUCTS OR SERVICES	6.05	
COST OF OTHER PRODUCTS OR SERVICES	3.79	
GROSS PROFIT OTHER PRODUCTS OR SERVICES	2.26	
TOTAL GROSS PROFIT	24.50	26.22

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
ADMINISTRATIVE EXPENSES		
EXECUTIVE SALARIES	1.76	1.24
OFFICE SALARIES	1.67	1.83
PAYROLL TAXES	.30	.34
EMPLOYEE BENEFITS	.48	.44
GENERAL OFFICE EXPENSE	2.84	2.41
BAD DEBTS	.29	.29
TOTAL ADMINISTRATIVE EXPENSE	7.34	6.55
SELLING EXPENSE		
EXECUTIVE SALARIES	.73	.52
SALESMEN SALARIES AND COMMISSIONS	3.76	3.31
SALES OFFICE CLERICAL SALARIES	1.19	1.06
PAYROLL TAXES	.31	.20
EMPLOYEE BENEFITS	.52	.48
TRAVEL AND ENTERTAINMENT EXPENSE	.60	.46
GENERAL SELLING EXPENSE	1.50	1.53
SHIPPING AND DELIVERY EXPENSE	.94	1.71
ADVERTISING	.26	.29
TOTAL SELLING EXPENSE	9.82	9.56
TOTAL ADMINISTRATIVE AND SELLING COST	17.16	16.11
OPERATING INCOME(LOSS)	7.34	10.12
OTHER INCOME AND EXPENSE		
GROSS PROCEEDS FROM SALE OF SCRAP	.28	.25
OTHER INCOME	.79	.72
TOTAL OTHER INCOME	1.06	.97
INTEREST EXPENSE	1.09	.40
OTHER EXPENSE	.43	.52
TOTAL OTHER EXPENSE	1.52	.92
NET OTHER INCOME(EXPENSE)	.46-	.04
NET INCOME(LOSS) BEFORE INCOME TAXES	6.89	10.16
RETURN ON INVESTMENT	10.15	16.50
NUMBER OF COMPANIES	60	17

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
CURRENT ASSETS		
CASH	2.58	2.99
NOTES AND ACCOUNTS RECEIVABLE	26.15	25.83
LESS ALLOWANCE FOR BAD DEBTS	.67	.66
NET RECEIVABLES	25.48	25.17
INVENTORIES.		
RAW MATERIALS	12.37	12.43
FINISHED PRODUCTS	4.75	4.56
WORK IN PROCESS	3.09	4.06
OTHER INVENTORIES	.85-	3.05-
TOTAL INVENTORIES	19.35	18.01
OTHER CURRENT ASSETS	3.26	6.25
TOTAL CURRENT ASSETS	50.67	52.42
FIXED ASSETS		
REAL ESTATE	10.68	11.04
LESS ALLOWANCE FOR DEPRECIATION	2.41	3.13
NET REAL ESTATE	8.27	7.91
MACHINERY AND EQUIPMENT	43.58	44.18
LESS ALLOWANCE FOR DEPRECIATION	23.13	24.56
NET MACHINERY AND EQUIPMENT	20.46	19.62
OTHER FIXED ASSETS	17.81	4.58
LESS ALLOWANCE FOR DEPRECIATION	6.95	1.97
NET OTHER FIXED ASSETS	10.85	2.62
TOTAL FIXED ASSETS	39.58	30.14
OTHER ASSETS	9.75	17.44
TOTAL ASSETS	100.00	100.00
CURRENT LIABILITIES		
NOTES PAYABLE WITHIN ONE YEAR	3.99	2.21
ACCOUNTS PAYABLE	10.16	6.47
OTHER CURRENT LIABILITIES	6.20	5.91
TOTAL CURRENT LIABILITIES	20.35	14.59
LONG-TERM DEBT	15.34	10.93
OTHER LONG-TERM LIABILITIES	2.75	1.19
TOTAL LONG-TERM LIABILITIES	18.09	12.12
TOTAL LIABILITIES	38.44	26.72
TOTAL NET WORTH	61.56	73.28
TOTAL LIABILITIES AND NET WORTH	100.00	100.00

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
EMPLOYEES		
PERCENT FACTORY	70.81	69.30
PERCENT ADMINISTRATIVE	13.28	14.97
PERCENT SALES	15.91	15.73
PRODUCTIVITY		
SALES PER GROSS PLANT INVESTMENT	2.51	3.05
SALES PER FACTORY EMPLOYEE	113734	135309
SALES PER ADMINISTRATIVE EMPLOYEE	606398	626296
SALES PER SALES EMPLOYEE	506232	596307
SALES PER ALL EMPLOYEES	80535	93772
SALES LESS MATERIAL / FACTORY EMPLOYEE	59316	70906
FINANCIAL POSITION		
CURR ASSETS VS CURR LIABILITIES	2.49	3.59
LIABILITIES VS NET WORTH	.62	.36
DEBT VS EQUITY	.25	.15
PAYROLL		
PAYROLL PER FACTORY EMPLOYEE	18664	19400
PAYROLL PER ADMIN. EMPLOYEE	20765	19218
PAYROLL PER SALES EMPLOYEE	28787	29169
PAYROLL PER EMPLOYEE	20554	20909
PREPRESS % OF FACTORY PAYROLL	10.60	11.41
PRESS % OF FACTORY PAYROLL	30.75	29.55
COLLATOR OPERATOR % OF FACTORY PAYROLL	16.94	17.56
GENERAL BINDERY % OF FACTORY PAYROLL	5.18	4.57
OVERTIME WAGES % OF FACTORY PAYROLL	4.53	4.39
TOTAL PAYROLL % OF SALES	30.53	26.68
TAXES AND BENEFITS		
TAXES AND BENEFITS / FACTORY EMPLOYEE	3870	3955
TAXES AND BENEFITS / ADMIN. EMPLOYEE	4731	4872
TAXES AND BENEFITS / SALES EMPLOYEE	4194	4071
TAXES AND BENEFITS / EMPLOYEE	4036	4111
ASSET TURNOVER		
INVENTORY TURNOVER TIMES PER YEAR	9.35	10.12
DAYS RAW MATERIAL IN INVENTORY	52.14	52.31
COLLECTION DAYS OF RECEIVABLES	51.40	50.42
INVESTMENT		
NET WORTH % OF FIXED ASSETS	155.54	243.13
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	45298	44404
PROFIT		
GROSS PROFIT % OF SALES	24.50	26.22
INCOME BEFORE TAX % OF SALES	6.89	10.16
PROFIT % OF NET WORTH	20.24	25.26
CASH FLOW (ROI)	8.99	11.67
RETURN ON INVESTMENT	10.15	16.50

PRODUCT MIX BY SHIPMENT VALUE

INDIRECT

	All Firms	Continuous Custom	Unit Sets	Mixed Product
Continuous Custom	59.0	72.9	27.6	51.7
Continuous Stock	2.9	0.7	----	3.9
Unit Sets	31.9	19.1	68.8	38.2
Salesbooks	1.4	0.2	1.7	3.3
Non-Forms	3.9	6.5	1.3	0.9
Outside Finished Prod.	0.3	0.1	0.4	0.6
Services	0.6	0.5	0.2	1.4
TOTAL	100.0	100.0	100.0	100.0
Direct	9.9	10.0	0.6	3.0
Indirect	90.1	90.0	99.4	97.0

DIRECT

	All Firms	Continuous Custom	Unit Sets	Mixed Product
Continuous Custom	35.1	59.9	11.7	33.1
Continuous Stock	27.6	3.2	----	31.7
Unit Sets	16.2	22.0	59.9	13.8
Salesbooks	0.4	3.0	0.2	0.1
Non-Forms	3.4	1.3	5.2	3.6
Outside Finished Prod.	6.0	10.3	21.4	4.8
Services	11.3	0.3	1.6	13.0
TOTAL	100.0	100.0	100.0	100.0
Direct	64.3	91.0	84.4	94.2
Indirect	35.7	9.0	15.6	5.8

BY ORDER SIZE

	Under 10	10-25	25-50
Continuous Custom	57.7	49.0	34.0
Constinuous Stock	----	13.6	29.9
Unit Sets	30.2	29.0	11.4
Salesbooks	0.4	0.7	1.3
Non-Forms	8.5	4.1	0.3
Outisde Finished Prod.	2.9	3.0	4.6
Services	0.3	0.6	18.5
TOTAL	100.0	100.0	100.0
Direct	13.8	43.6	86.3
Indirect	86.2	56.4	13.7

PRODUCT MIX BY SHIPMENT VALUE, Cont'd.

BY COMPANY SIZE
(Annual Sales in Millions of Dollars)

	$0-3	$3-8	$8-15	$15+
Continuous Custom	30.6	49.5	59.9	41.8
Continuous Stock	1.8	5.1	6.0	23.7
Unit Sets	53.5	39.1	27.8	15.3
Salesbooks	1.2	0.6	0.6	0.9
Non-Forms	5.5	0.8	2.5	4.8
Outside Finished Prod.	7.2	3.7	2.6	3.4
Services	0.2	1.2	0.6	10.1
TOTAL	100.0	100.0	100.0	100.0
Direct	48.2	20.4	34.5	67.6
Indirect	51.8	79.6	65.5	32.4

	UNDER $3 MILLION ALL FIRMS	UNDER $3 MILLION LEADERS	$3-8 MILLION ALL FIRMS	$3-8 MILLION LEADERS	$8-15 MILLION ALL FIRMS	$8-15 MILLION LEADERS	OVER $15 MILLION ALL FIRMS	OVER $15 MILLION LEADERS
VALUE OF PRODUCTS MANUFACTURED	92.79	82.72	96.29	99.34	98.47	99.98	96.83	97.80
OUTSIDE PURCHASES	7.21	17.28	3.71	.66	1.53	.02	3.17	2.20
VALUE OF PRODUCTION	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	29.67	25.42	33.59	35.22	34.68	32.19	39.67	40.36
CARBON	4.99	3.06	6.34	5.47	4.57	4.19	5.21	5.21
OTHER	3.05	1.79	2.31	1.63	3.19	2.27	2.99	1.73
OUTSIDE FINISHED PRODUCT	5.45	13.29	2.31	.70	2.92	5.16	2.36	1.83
TOTAL MATERIALS USED	43.15	43.55	44.56	43.04	45.36	43.81	49.62	49.13
FACTORY PAYROLL								
SUPERVISORY SALARIES	2.43	1.68	2.95	3.11	2.35	1.91	2.56	2.19
WAGES DIRECT								
PREPRESS	2.17	2.05	2.33	2.29	2.44	2.53	1.35	1.38
PRESS	5.82	3.45	6.05	5.95	6.38	5.71	4.40	3.69
COLLATOR OPERATORS	3.27	2.43	3.61	3.58	3.00	2.15	2.40	2.38
GENERAL BINDERY	2.26	1.66	1.21	.97	.98	.45	.65	.62
TOTAL DIRECT WAGES	13.53	9.59	13.19	12.79	12.79	10.84	8.84	8.06
DIRECT OVERTIME WAGES	.63		.60	.54	1.12	.59	.71	.66
GENERAL FACTORY SALARIES AND WAGES	1.94	.93	2.20	2.25	2.88	2.33	3.11	1.89
PACKING SHIPPING AND DELIVERY WAGES	.91	.47	.85	.63	.71	.80	.94	1.15
PAYROLL TAXES	1.58	1.10	1.52	1.65	1.52	1.22	1.28	1.18
EMPLOYEE BENEFITS	1.37	.83	2.26	3.07	2.16	2.05	1.97	1.38
TOTAL FACTORY PAYROLL	21.76	14.60	22.98	23.49	22.10	19.14	18.24	15.83
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	3.97	2.39	2.55	2.22	1.94	1.91	1.80	1.24
INSURANCE	.27	.06	.32	.30	.22	.26	.21	.19
TAXES	.38	.12	.44	.44	.33	.35	.46	.40
DEPRECIATION	4.07	3.54	3.14	3.01	3.17	3.24	2.33	1.74
TOTAL FACTORY FIXED EXPENSES	8.68	6.10	6.45	5.98	5.67	5.77	4.80	3.52
OTHER FACTORY SUPPLIES AND EXPENSE	4.63	2.81	4.90	5.01	4.87	5.36	4.68	4.63
TOTAL FACTORY EXPENSE	13.30	8.92	11.35	10.99	10.53	11.13	9.48	8.16
TOTAL COST OF PRODUCTION	78.21	67.07	78.89	77.51	78.00	74.09	77.34	73.12
GROSS PROFIT-FORMS MANUFACTURING	21.79	32.93	21.11	22.49	22.00	25.91	22.66	26.93
OTHER OPERATIONS								
VALUE OF OTHER PRODUCTS OR SERVICES	.15		1.20		.80		9.03	
COST OF OTHER PRODUCTS OR SERVICES	.02		.47		.66		5.72	
GROSS PROFIT OTHER PRODUCTS OR SERVICES	.13		.74		.14		3.31	
TOTAL GROSS PROFIT	21.91	32.93	21.85	22.49	22.14	25.91	25.97	26.93

	UNDER $3 MILLION ALL FIRMS	UNDER $3 MILLION LEADERS	$3-8 MILLION ALL FIRMS	$3-8 MILLION LEADERS	$8-15 MILLION ALL FIRMS	$8-15 MILLION LEADERS	OVER $15 MILLION ALL FIRMS	OVER $15 MILLION LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	3.07	2.85	2.55	3.12	1.58	1.53	1.53	.83
OFFICE SALARIES	1.92	3.65	1.54	.90	1.64	1.08	1.70	2.11
PAYROLL TAXES	.37	.56	.28	.27	.21	.18	.32	.36
EMPLOYEE BENEFITS	.34	.43	.47	.68	.32	.25	.53	.42
GENERAL OFFICE EXPENSE	3.09	3.50	2.49	1.97	2.31	1.53	3.06	2.83
BAD DEBTS	.26		.31	.16	.28	.14	.29	.34
TOTAL ADMINISTRATIVE EXPENSE	9.05	10.99	7.64	7.09	6.35	4.71	7.43	6.79
SELLING EXPENSE								
EXECUTIVE SALARIES	1.69	2.85	.86	.57	.84	.93	.62	.42
SALESMEN SALARIES AND COMMISSIONS	3.06	2.39	2.50	.99	3.31	3.40	4.35	3.74
SALES OFFICE CLERICAL SALARIES	.84		1.31	1.02	1.48	1.62	1.10	.98
PAYROLL TAXES	.38	.45	.27	.18	.29	.27	.32	.14
EMPLOYEE BENEFITS	.24	.34	.32	.38	.42	.46	.62	.51
TRAVEL AND ENTERTAINMENT EXPENSE	1.08	.47	.55	.24	.35	.29	.66	.52
GENERAL SELLING EXPENSE	1.19	3.50	1.35	.75	.93	.46	1.70	1.83
SHIPPING AND DELIVERY EXPENSE	1.10	1.53	.47	.23	.75	1.13	1.12	2.06
ADVERTISING	.43		.26	.25	.29	.40	.25	.29
TOTAL SELLING EXPENSE	10.00	11.55	7.89	4.60	8.41	8.97	10.72	10.55
TOTAL ADMINISTRATIVE AND SELLING COST	19.05	22.54	15.53	11.69	14.75	13.68	18.13	17.25
OPERATING INCOME(LOSS)	2.86	10.39	6.32	10.79	7.39	12.23	7.64	9.64
OTHER INCOME AND EXPENSE								
GROSS PROCEEDS FROM SALE OF SCRAP	.21		.33	.47	.38	.37	.24	.14
OTHER INCOME	.65	.22	1.35	2.01	1.46	1.67	.46	.33
TOTAL OTHER INCOME	.86	.22	1.69	2.48	1.84	2.04	.70	.52
INTEREST EXPENSE	2.93	2.07	1.32	.98	1.56	.44	.83	.27
OTHER EXPENSE	.33		1.07	.84	.23	.37	.29	.45
TOTAL OTHER EXPENSE	3.26	2.07	2.39	1.82	1.78	.80	1.12	.76
NET OTHER INCOME(EXPENSE)	2.40-	1.84-	.71-	.66	.06	1.24	.42-	.24-
NET INCOME(LOSS) BEFORE INCOME TAXES	.47	8.55	5.61	11.46	7.45	13.47	7.42	9.40
RETURN ON INVESTMENT	.56	.11	8.74	16.94	9.54	14.32	11.26	17.69
NUMBER OF COMPANIES	10	1	28	8	11	4	11	4

	UNDER $3 MILLION ALL FIRMS	UNDER $3 MILLION LEADERS	$3-8 MILLION ALL FIRMS	$3-8 MILLION LEADERS	$8-15 MILLION ALL FIRMS	$8-15 MILLION LEADERS	OVER $15 MILLION ALL FIRMS	OVER $15 MILLION LEADERS
CURRENT ASSETS								
CASH	2.76	.06	6.64	8.98	8.35	17.35	.11	1.4-
NOTES AND ACCOUNTS RECEIVABLE	23.40	32.13	25.01	21.65	22.43	17.10	27.48	28.57
LESS ALLOWANCE FOR BAD DEBTS	.35		.61	.71	.93	.26	.04	.75
NET RECEIVABLES	23.05	32.13	24.40	20.94	21.49	16.84	26.85	27.8-
INVENTORIES								
RAW MATERIALS	12.39	7.41	12.70	11.62	10.80	9.05	12.67	13.9-
FINISHED PRODUCTS	.46		1.66	1.69	3.31	3.60	6.09	5.43
WORK IN PROCESS	4.50	4.16	2.31	1.75	1.46	.83	3.62	5.26
OTHER INVENTORIES	.14		.32	.29	.44		1.51-	4.46-
TOTAL INVENTORIES	17.49	11.56	16.98	15.35	16.02	13.48	20.86	19.69
OTHER CURRENT ASSETS	2.21		4.03	8.21	7.09	14.78	2.18	4.01
TOTAL CURRENT ASSETS	45.51	43.75	52.04	53.48	52.95	62.45	50.00	50.6-
FIXED ASSETS								
REAL ESTATE	12.39		13.02	10.13	16.48	13.59	8.58	10.80
LESS ALLOWANCE FOR DEPRECIATION	1.87		4.24	3.87	2.37	3.55	1.97	2.93
NET REAL ESTATE	10.53		8.78	6.26	14.11	10.04	6.61	7.87
MACHINERY AND EQUIPMENT	75.69	71.69	64.53	51.28	54.30	52.86	34.11	40.41
LESS ALLOWANCE FOR DEPRECIATION	39.78	20.27	35.63	27.36	31.30	31.72	17.16	22.44
NET MACHINERY AND EQUIPMENT	35.91	51.42	28.91	23.92	23.00	21.14	16.96	17.97
OTHER FIXED ASSETS	5.93	5.97	5.55	4.18	6.28	2.55	24.31	5.11
LESS ALLOWANCE FOR DEPRECIATION	2.86	1.18	2.78	2.07	2.60	.99	9.27	2.17
NET OTHER FIXED ASSETS	3.07	4.79	2.77	2.10	3.69	1.56	15.04	2.93
TOTAL FIXED ASSETS	49.51	56.21	40.46	32.29	40.79	32.74	38.61	28.78
OTHER ASSETS	4.98	.05	7.50	14.24	6.26	4.80	11.39	21.16
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE WITHIN ONE YEAR	7.26	8.87	7.15	6.11	3.12	.88	3.24	1.63
ACCOUNTS PAYABLE	11.79	6.70	10.39	6.87	7.55	6.43	10.67	6.39
OTHER CURRENT LIABILITIES	3.22	1.25	6.45	7.16	7.24	7.90	6.04	5.27
TOTAL CURRENT LIABILITIES	22.27	16.81	23.98	20.14	17.91	15.21	19.92	13.29
LONG-TERM DEBT	40.06	32.15	19.48	11.60	21.19	6.18	11.71	11.59
OTHER LONG-TERM LIABILITIES	1.18	3.29	6.11	1.30	4.04	2.20	1.65	.91
TOTAL LONG-TERM LIABILITIES	41.25	35.44	25.59	12.90	25.23	8.38	13.36	12.50
TOTAL LIABILITIES	63.52	52.26	49.58	33.04	43.14	23.59	33.28	25.79
TOTAL NET WORTH	36.48	47.74	50.42	66.96	56.86	76.41	66.72	74.21
TOTAL LIABILITIES AND NET WORTH	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

	UNDER $3 MILLION ALL FIRMS	UNDER $3 MILLION LEADERS	$3-8 MILLION ALL FIRMS	$3-8 MILLION LEADERS	$8-15 MILLION ALL FIRMS	$8-15 MILLION LEADERS	OVER $15 MILLION ALL FIRMS	OVER $15 MILLION LEADERS
EMPLOYEES								
PERCENT FACTORY	71.35	76.47	75.96	80.98	74.54	74.66	67.85	65.03
PERCENT ADMINISTRATIVE	15.17	14.71	12.16	9.51	11.74	12.56	13.99	16.91
PERCENT SALES	13.48	8.82	11.88	9.51	13.72	12.78	18.22	18.06
PRODUCTIVITY								
SALES PER GROSS PLANT INVESTMENT	1.79	2.00	2.53	2.68	2.16	2.03	2.65	3.43
SALES PER FACTORY EMPLOYEE	79749	97055	89280	86480	105499	116418	129211	156475
SALES PER ADMINISTRATIVE EMPLOYEE	375120	504686	557652	736526	669921	692273	626190	661800
SALES PER SALES EMPLOYEE	422010	841143	571036	736526	573194	680128	480893	563387
SALES PER ALL EMPLOYEES	56900	74218	67819	70034	78640	86922	87598	101756
SALES LESS MATERIAL / FACTORY EMPLOYEE	45335	54787	49499	49262	57643	65414	65096	79644
FINANCIAL POSITION								
CURR ASSETS VS CURR LIABILITIES	2.04	2.60	2.17	2.66	2.96	4.11	2.51	3.77
LIABILITIES VS NET WORTH	1.74	1.09	.98	.49	.76	.31	.50	.35
DEBT VS EQUITY	1.10	.67	.39	.17	.37	.08	.18	.16
PAYROLL								
PAYROLL PER FACTORY EMPLOYEE	14998	12300	17134	16235	19444	18483	19377	20784
PAYROLL PER ADMIN. EMPLOYEE	18736	32801	22802	29598	21572	18078	20042	17635
PAYROLL PER SALES EMPLOYEE	23595	44095	26692	18959	30853	40503	29184	28584
PAYROLL PER EMPLOYEE	16724	18120	18959	17765	21239	21246	21257	21733
PREPRESS % OF FACTORY PAYROLL	11.53	16.21	12.13	12.22	13.26	15.93	9.21	10.28
PRESS % OF FACTORY PAYROLL	30.97	27.24	31.50	31.67	34.59	35.96	29.36	27.77
COLLATOR OPERATOR % OF FACTORY PAYROLL	17.37	19.14	18.81	19.06	16.26	13.53	16.38	17.94
GENERAL BINDERY % OF FACTORY PAYROLL	12.04	13.07	6.29	5.18	5.33	2.84	4.34	4.66
OVERTIME WAGES % OF FACTORY PAYROLL	3.34		3.12	2.86	6.07	3.72	4.72	4.96
TOTAL PAYROLL % OF SALES	33.67	28.13	33.08	31.58	31.94	28.88	29.30	25.40
TAXES AND BENEFITS								
TAXES AND BENEFITS / FACTORY EMPLOYEE	2353	1869	3378	4079	3875	3803	4192	3982
TAXES AND BENEFITS / ADMIN. EMPLOYEE	2636	4985	4181	6943	3532	2976	5327	4825
TAXES AND BENEFITS / SALES EMPLOYEE	2610	6702	3349	4092	4056	4958	4515	3729
TAXES AND BENEFITS / EMPLOYEE	2430	2754	3472	4352	3859	3852	4410	4114
ASSET TURNOVER								
INVENTORY TURNOVER TIMES PER YEAR	9.60	13.41	12.39	11.47	10.40	10.37	8.51	9.84
DAYS RAW MATERIAL IN INVENTORY	62.40	40.02	49.43	56.01	52.21	53.92	52.49	51.59
COLLECTION DAYS OF RECEIVABLES	50.10	75.62	42.33	43.41	47.12	43.97	55.23	52.53
INVESTMENT								
NET WORTH % OF FIXED ASSETS	73.70	84.94	124.63	207.37	139.41	233.36	172.82	257.89
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	44652	48598	35265	32226	48832	57468	46779	45562
PROFIT								
GROSS PROFIT % OF SALES	21.91	32.93	21.85	22.49	22.14	25.91	25.57	28.50
INCOME BEFORE TAX % OF SALES	.47	8.55	5.61	11.46	7.45	13.47	7.42	9.40
PROFIT % OF NET WORTH	2.15	27.77	23.42	30.12	21.82	24.64	19.74	24.49
CASH FLOW (ROI)	5.17	.10	9.26	12.93	8.83	10.61	9.16	11.70
RETURN ON INVESTMENT	.56	.11	8.74	16.94	9.54	14.32	11.26	17.69

	CONSUMER ALL FIRMS	CONSUMER LEADERS	CONSUMER CONTINUOUS CUSTOM ALL FIRMS	CONSUMER CONTINUOUS CUSTOM LEADERS	CONSUMER UNIT SETS ALL FIRMS	CONSUMER UNIT SETS LEADERS	CONSUMER MIXED PRODUCT ALL FIRMS	CONSUMER MIXED PRODUCT LEADERS
VALUE OF PRODUCTS MANUFACTURED	93.61	96.26	89.82		78.22		94.84	96.26
OUTSIDE PURCHASES	6.39	3.74	10.18		21.78		5.16	3.74
VALUE OF PRODUCTION	100.00	100.00	100.00		100.00		100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	36.46	34.81	22.23		26.04		38.94	34.81
CARBON	5.15	4.99	7.19		3.29		4.95	4.99
OTHER	2.09	1.20	5.66		1.06		1.63	1.20
OUTSIDE FINISHED PRODUCT	5.26	4.89	7.12		11.58		4.71	4.89
TOTAL MATERIALS USED	48.96	45.89	42.20		41.97		50.23	45.89
FACTORY PAYROLL								
SUPERVISORY SALARIES	2.08	2.45	2.57		2.22		2.00	2.45
WAGES DIRECT								
PREPRESS	1.21	1.77	1.97		2.17		1.06	1.77
PRESS	4.24	4.43	5.03		5.31		4.08	4.43
COLLATOR OPERATORS	1.96	2.09	2.32		2.41		1.89	2.09
GENERAL BINDERY	.57	.53	.85		1.94		.47	.53
TOTAL DIRECT WAGES	7.99	8.82	10.17		11.84		7.51	8.82
DIRECT OVERTIME WAGES	.74	.81			.81		.84	.81
GENERAL FACTORY SALARIES AND WAGES	3.21	1.28	2.96		2.69		3.26	1.28
PACKING SHIPPING AND DELIVERY WAGES	1.02	1.28	.71		1.78		1.04	1.28
PAYROLL TAXES	1.20	1.18	1.41		1.42		1.16	1.18
EMPLOYEE BENEFITS	1.86	1.17	3.24		2.22		1.65	1.17
TOTAL FACTORY PAYROLL	17.36	16.18	21.06		22.17		16.62	16.18
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	2.23	1.76	1.32		4.70		2.25	1.76
INSURANCE	.21	.17	.13		.39		.22	.17
TAXES	.51	.38	.65		.34		.50	.38
DEPRECIATION	2.38	1.83	3.09		2.73		2.26	1.83
TOTAL FACTORY FIXED EXPENSES	5.33	4.14	5.19		8.16		5.23	4.14
OTHER FACTORY SUPPLIES AND EXPENSE	4.61	5.24	5.67		2.85		4.53	5.24
TOTAL FACTORY EXPENSE	9.94	9.38	10.86		11.01		9.76	9.38
TOTAL COST OF PRODUCTION	76.26	71.45	74.12		75.15		76.61	71.45
GROSS PROFIT-FORMS MANUFACTURING	23.74	28.55	25.88		24.85		23.39	28.55
OTHER OPERATIONS								
VALUE OF OTHER PRODUCTS OR SERVICES	12.63		.29		1.67		14.88	
COST OF OTHER PRODUCTS OR SERVICES	7.93		.11				9.40	
GROSS PROFIT OTHER PRODUCTS OR SERVICES	4.70		.18		1.67		5.48	
TOTAL GROSS PROFIT	28.44	28.55	26.06		26.53		28.86	28.55

	CONSUMER ALL FIRMS	CONSUMER LEADERS	CONSUMER CONTINUOUS CUSTOM ALL FIRMS	CONSUMER CONTINUOUS CUSTOM LEADERS	CONSUMER UNIT SETS ALL FIRMS	CONSUMER UNIT SETS LEADERS	CONSUMER MIXED PRODUCT ALL FIRMS	CONSUMER MIXED PRODUCT LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	1.73	.65	1.73		2.61		1.69	.65
OFFICE SALARIES	1.94	2.33	1.94		2.46		1.91	2.33
PAYROLL TAXES	.38	.52	.28		.34		.40	.52
EMPLOYEE BENEFITS	.48	.29	.65		.29		.46	.29
GENERAL OFFICE EXPENSE	3.33	2.77	2.85		3.55		3.39	2.77
BAD DEBTS	.28	.32	.25		.33		.28	.32
TOTAL ADMINISTRATIVE EXPENSE	8.13	6.87	7.71		9.62		8.13	6.87
SELLING EXPENSE								
EXECUTIVE SALARIES	.92	.59	1.23		1.89		.83	.59
SALESMEN SALARIES AND COMMISSIONS	6.77	5.74	7.86		8.97		6.52	5.74
SALES OFFICE CLERICAL SALARIES	.97	.67	.71		1.29		.99	.67
PAYROLL TAXES	.41	.10	.60		.81		.36	.10
EMPLOYEE BENEFITS	.63	.32	1.45		.35		.53	.32
TRAVEL AND ENTERTAINMENT EXPENSE	.80	.50	1.00		.90		.77	.50
GENERAL SELLING EXPENSE	1.77	2.00	2.16		.42		1.78	2.00
SHIPPING AND DELIVERY EXPENSE	1.07	2.40	.20		.75		1.20	2.40
ADVERTISING	.15	.14	.28		.29		.12	.14
TOTAL SELLING EXPENSE	13.48	12.45	15.48		15.67		13.10	12.45
TOTAL ADMINISTRATIVE AND SELLING COST	21.62	19.32	23.19		25.29		21.23	19.32
OPERATING INCOME(LOSS)	6.83	9.22	2.87		1.24		7.64	9.22
OTHER INCOME AND EXPENSE								
GROSS PROCEEDS FROM SALE OF SCRAP	.22	.37	.16		.18		.23	.37
OTHER INCOME	.77	.72	.49		.44		.82	.72
TOTAL OTHER INCOME	.98	1.08	.65		.62		1.05	1.08
INTEREST EXPENSE	.75	.46	1.01		1.16		.70	.46
OTHER EXPENSE	.47	.91	.53		.50		.46	.91
TOTAL OTHER EXPENSE	1.23	1.37	1.54		1.66		1.16	1.37
NET OTHER INCOME(EXPENSE)	.24-	.29-	.89-		1.04-		.12-	.29-
NET INCOME(LOSS) BEFORE INCOME TAXES	6.58	8.94	1.98		.20		7.52	8.94
RETURN ON INVESTMENT	9.58	15.03	2.72		.35		10.96	15.03
NUMBER OF COMPANIES	20	5	5		4		11	5

	CONSUMER		CONSUMER CONTINUOUS CUSTOM		CONSUMER UNIT SETS		CONSUMER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
CURRENT ASSETS								
CASH	1.97	1.76	.59		9.06		1.94	1.76
NOTES AND ACCOUNTS RECEIVABLE	29.38	33.02	24.32		32.96		29.98	33.02
LESS ALLOWANCE FOR BAD DEBTS	.66	.61	1.12		.84		.59	.61
NET RECEIVABLES	28.72	32.41	23.20		32.12		29.39	32.41
INVENTORIES								
RAW MATERIALS	10.53	10.10	9.29		15.45		10.53	10.10
FINISHED PRODUCTS	9.66	11.12	8.38		3.23		10.05	11.12
WORK IN PROCESS	2.09	2.03	2.54		2.50		2.01	2.03
OTHER INVENTORIES	.90	.41	.09		1.57		.99	.41
TOTAL INVENTORIES	23.18	23.66	20.30		22.75		23.60	23.66
OTHER CURRENT ASSETS	2.88	7.22	.95		1.65		3.19	7.22
TOTAL CURRENT ASSETS	56.75	65.05	45.04		65.58		58.12	65.05
FIXED ASSETS								
REAL ESTATE	8.48	13.90	30.39		5.38		5.48	13.90
LESS ALLOWANCE FOR DEPRECIATION	1.79	3.16	5.48		2.73		1.24	3.16
NET REAL ESTATE	6.69	10.74	24.92		2.65		4.25	10.74
MACHINERY AND EQUIPMENT	31.31	52.38	59.01		66.11		26.28	52.38
LESS ALLOWANCE FOR DEPRECIATION	17.75	30.45	31.09		44.09		15.02	30.45
NET MACHINERY AND EQUIPMENT	13.56	21.93	27.93		22.02		11.26	21.93
OTHER FIXED ASSETS	33.87	3.39	3.22		9.44		38.98	3.39
LESS ALLOWANCE FOR DEPRECIATION	13.00	1.67	1.52		5.13		14.88	1.67
NET OTHER FIXED ASSETS	20.86	1.71	1.71		4.31		24.10	1.71
TOTAL FIXED ASSETS	41.11	34.38	54.55		28.98		39.60	34.38
OTHER ASSETS	2.14	.57	.40		5.44		2.28	.57
TOTAL ASSETS	100.00	100.00	100.00		100.00		100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE WITHIN ONE YEAR	3.52	2.99	3.60		2.06		3.56	2.99
ACCOUNTS PAYABLE	12.62	6.42	8.97		10.58		13.21	6.42
OTHER CURRENT LIABILITIES	7.83	9.74	7.68		6.67		7.89	9.74
TOTAL CURRENT LIABILITIES	23.98	19.15	20.24		19.31		24.65	19.15
LONG-TERM DEBT	7.76	9.87	14.40		14.27		6.61	9.87
OTHER LONG-TERM LIABILITIES	3.61	3.06	3.73		23.08		2.96	3.06
TOTAL LONG-TERM LIABILITIES	11.37	12.93	18.12		37.35		9.58	12.93
TOTAL LIABILITIES	35.35	32.08	38.36		56.67		34.23	32.08
TOTAL NET WORTH	64.65	67.92	61.64		43.33		65.77	67.92
TOTAL LIABILITIES AND NET WORTH	100.00	100.00	100.00		100.00		100.00	100.00

	CONSUMER ALL FIRMS	CONSUMER LEADERS	CONSUMER CONTINUOUS CUSTOM ALL FIRMS	CONSUMER CONTINUOUS CUSTOM LEADERS	CONSUMER UNIT SETS ALL FIRMS	CONSUMER UNIT SETS LEADERS	CONSUMER MIXED PRODUCT ALL FIRMS	CONSUMER MIXED PRODUCT LEADERS
EMPLOYEES								
PERCENT FACTORY	64.50	63.88	63.42		64.68		64.66	63.88
PERCENT ADMINISTRATIVE	16.27	20.88	12.65		18.41		16.70	20.88
PERCENT SALES	19.22	15.24	23.93		16.92		18.64	15.24
PRODUCTIVITY								
SALES PER GROSS PLANT INVESTMENT	2.58	3.25	2.04		3.18		2.05	3.25
SALES PER FACTORY EMPLOYEE	128022	144198	123641		96476		130572	144198
SALES PER ADMINISTRATIVE EMPLOYEE	507447	441246	620109		338971		505502	441246
SALES PER SALES EMPLOYEE	429578	604446	327700		368880		452930	604446
SALES PER ALL EMPLOYEES	82578	92118	78418		62397		84426	92118
SALES LESS MATERIAL / FACTORY EMPLOYEE	65346	78019	71470		55982		64986	78019
FINANCIAL POSITION								
CURR ASSETS VS CURR LIABILITIES	2.37	3.40	2.23		3.40		2.36	3.40
LIABILITIES VS NET WORTH	.55	.47	.62		1.31		.52	.47
DEBT VS EQUITY	.12	.15	.23		.33		.10	.15
PAYROLL								
PAYROLL PER FACTORY EMPLOYEE	18304	19946	20289		17875		18031	19946
PAYROLL PER ADMIN. EMPLOYEE	18599	13122	22747		17267		18206	13122
PAYROLL PER SALES EMPLOYEE	37189	42337	32109		44818		37774	42337
PAYROLL PER EMPLOYEE	21982	21934	23429		22321		21741	21934
PREPRESS % OF FACTORY PAYROLL	8.48	12.78	12.00		11.71		7.70	12.78
PRESS % OF FACTORY PAYROLL	29.66	32.03	30.65		28.68		29.55	32.03
COLLATOR OPERATOR % OF FACTORY PAYROLL	13.73	15.12	14.12		13.02		13.71	15.12
GENERAL BINDERY % OF FACTORY PAYROLL	4.00	3.84	5.20		10.48		3.41	3.84
OVERTIME WAGES % OF FACTORY PAYROLL	5.15	5.85	.01-		4.37		6.07	5.85
TOTAL PAYROLL % OF SALES	31.58	27.38	37.51		41.21		30.31	27.38
TAXES AND BENEFITS								
TAXES AND BENEFITS / FACTORY EMPLOYEE	3921	3387	5749		3511		3671	3387
TAXES AND BENEFITS / ADMIN. EMPLOYEE	4360	3549	5808		2157		4338	3549
TAXES AND BENEFITS / SALES EMPLOYEE	4448	2515	6714		4295		4010	2515
TAXES AND BENEFITS / EMPLOYEE	4094	3288	5987		3394		3845	3288
ASSET TURNOVER								
INVENTORY TURNOVER TIMES PER YEAR	8.19	9.58	9.33		11.32		7.96	9.58
DAYS RAW MATERIAL IN INVENTORY	41.35	35.44	42.42		52.17		40.82	35.44
COLLECTION DAYS OF RECEIVABLES	55.21	52.20	44.72		45.53		57.14	52.20
INVESTMENT								
NET WORTH % OF FIXED ASSETS	157.28	197.52	112.99		149.52		166.07	197.52
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	49661	44326	60470		30317		49196	44326
PROFIT								
GROSS PROFIT % OF SALES	28.44	28.55	26.06		26.53		28.86	28.55
INCOME BEFORE TAX % OF SALES	6.58	8.94	1.98		.20		7.52	8.54
PROFIT % OF NET WORTH	19.33	29.82	6.08		1.20		21.47	29.82
CASH FLOW (ROI)	8.25	10.59	5.62		4.98		8.77	10.59
RETURN ON INVESTMENT	9.58	15.03	2.72		.35		10.96	15.03

	DEALER ALL FIRMS	DEALER LEADERS	DEALER CONTINUOUS CUSTOM ALL FIRMS	DEALER CONTINUOUS CUSTOM LEADERS	DEALER UNIT SETS ALL FIRMS	DEALER UNIT SETS LEADERS	DEALER MIXED PRODUCT ALL FIRMS	DEALER MIXED PRODUCT LEADERS
VALUE OF PRODUCTS MANUFACTURED	99.69	99.71	99.89	100.00	99.54		99.38	99.26
OUTSIDE PURCHASES	.31	.29	.11		.46		.62	.74
VALUE OF PRODUCTION	100.00	100.00	100.00	100.00	100.00		100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	34.82	31.49	33.84	27.88	34.87		35.48	33.42
CARBON	4.69	3.49	3.47	1.29	6.06		6.05	6.05
OTHER	3.13	2.46	3.55	3.46	2.52		2.88	1.41
OUTSIDE FINISHED PRODUCT	.29	.46	.19	.30	.51		.37	.77
TOTAL MATERIALS USED	42.93	37.90	41.04	32.93	43.96		44.78	41.65
FACTORY PAYROLL								
SUPERVISORY SALARIES	2.69	3.00	2.59	3.13	2.41		3.01	2.87
WAGES DIRECT								
PREPRESS	2.75	2.74	3.09	3.22	2.57		2.39	2.42
PRESS	6.92	6.37	7.29	6.82	6.98		6.53	6.32
COLLATOR OPERATORS	4.22	4.60	4.55	5.48	4.07		3.90	3.85
GENERAL BINDERY	1.29	1.07	.98	1.19	2.15		1.49	1.09
TOTAL DIRECT WAGES	15.19	14.79	15.91	16.71	15.76		14.32	13.68
DIRECT OVERTIME WAGES	.82	.47	.90	.33	.73		.77	.74
GENERAL FACTORY SALARIES AND WAGES	2.47	2.02	2.72	1.96	2.31		2.21	2.25
PACKING SHIPPING AND DELIVERY WAGES	.66	.59	.46	.54	.73		.98	.68
PAYROLL TAXES	1.74	1.74	1.74	1.85	1.93		1.72	1.73
EMPLOYEE BENEFITS	2.31	2.43	2.47	2.11	1.93		2.36	3.16
TOTAL FACTORY PAYROLL	25.07	24.57	25.89	26.31	25.07		24.59	24.36
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	2.36	2.26	2.23	2.11	2.05		2.76	2.50
INSURANCE	.29	.20	.32	.13	.17		.35	.27
TAXES	.34	.39	.32	.39	.36		.36	.37
DEPRECIATION	3.39	3.26	3.51	2.86	3.18		3.36	3.85
TOTAL FACTORY FIXED EXPENSES	6.38	6.11	6.38	5.49	5.76		6.72	6.99
OTHER FACTORY SUPPLIES AND EXPENSE	5.12	4.80	4.70	4.29	6.10		5.14	4.87
TOTAL FACTORY EXPENSE	11.50	10.91	11.08	9.78	11.86		11.86	11.87
TOTAL COST OF PRODUCTION	79.50	73.38	78.01	69.03	80.89		81.23	77.88
GROSS PROFIT-FORMS MANUFACTURING	20.50	26.62	21.99	30.97	19.11		18.77	22.12
OTHER OPERATIONS								
VALUE OF OTHER PRODUCTS OR SERVICES	.70		.47		.14		1.42	
COST OF OTHER PRODUCTS OR SERVICES	.40		.42				.60	
GROSS PROFIT OTHER PRODUCTS OR SERVICES	.30		.05		.14		.82	
TOTAL GROSS PROFIT	20.80	26.62	22.04	30.97	19.25		19.59	22.12

	DEALER		DEALER CONTINUOUS CUSTOM		DEALER UNIT SETS		DEALER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	2.14	2.71	2.19	3.10	2.14		2.09	2.33
OFFICE SALARIES	1.54	1.78	1.48	2.61	2.34		1.30	.61
PAYROLL TAXES	.27	.32	.29	.41	.36		.21	.23
EMPLOYEE BENEFITS	.46	.56	.52	.58	.51		.37	.55
GENERAL OFFICE EXPENSE	2.55	2.33	2.75	2.84	2.76		2.15	1.77
BAD DEBTS	.27	.13	.19	.11	.49		.30	.17
TOTAL ADMINISTRATIVE EXPENSE	7.23	7.80	7.41	9.64	8.62		6.43	5.87
SELLING EXPENSE								
EXECUTIVE SALARIES	.59	.40	.65	.31	.68		.47	.53
SALESMEN SALARIES AND COMMISSIONS	.88	.77	.79	.61	.68		1.03	.73
SALES OFFICE CLERICAL SALARIES	1.55	2.09	1.69	3.05	1.58		1.35	1.01
PAYROLL TAXES	.21	.23	.22	.28	.20		.19	.18
EMPLOYEE BENEFITS	.29	.35	.34	.37	.23		.25	.34
TRAVEL AND ENTERTAINMENT EXPENSE	.39	.31	.33	.41	.46		.46	.20
GENERAL SELLING EXPENSE	1.18	.80	1.09	.97	1.27		1.36	.65
SHIPPING AND DELIVERY EXPENSE	.49	.52	.61	.85	.54		.28	.16
ADVERTISING	.34	.37	.38	.49	.22		.34	.26
TOTAL SELLING EXPENSE	5.91	5.85	6.10	7.35	5.86		5.74	4.14
TOTAL ADMINISTRATIVE AND SELLING COST	13.14	13.65	13.51	16.99	14.48		12.17	9.98
OPERATING INCOME(LOSS)	7.65	12.96	8.52	13.98	4.77		7.42	12.14
OTHER INCOME AND EXPENSE								
GROSS PROCEEDS FROM SALE OF SCRAP	.43	.32	.47	.16	.34		.34	.50
OTHER INCOME	1.05	1.39	.77	.89	1.59		1.31	2.24
TOTAL OTHER INCOME	1.48	1.71	1.24	1.04	1.93		1.70	2.74
INTEREST EXPENSE	1.79	.69	1.64	.46	2.16		1.35	.78
OTHER EXPENSE	.52	.47	.20	.30	1.41		.67	.77
TOTAL OTHER EXPENSE	2.30	1.16	1.83	.76	3.57		2.52	1.55
NET OTHER INCOME(EXPENSE)	.83-	.55	.59-	.28	1.64-		.82-	1.20
NET INCOME(LOSS) BEFORE INCOME TAXES	6.83	13.51	7.93	14.27	3.14		6.60	13.34
RETURN ON INVESTMENT	9.30	17.14	9.89	16.71	5.04		9.72	18.16
NUMBER OF COMPANIES	38	11	13	4	9		15	6

	DEALER		DEALER CONTINUOUS CUSTOM		DEALER UNIT SETS		DEALER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
CURRENT ASSETS								
CASH	4.21	7.70	3.60	6.69	1.36		6.69	10.30
NOTES AND ACCOUNTS RECEIVABLE	23.70	21.16	23.01	21.56	27.69		23.31	19.96
LESS ALLOWANCE FOR BAD DEBTS	.66	.71	.68	.72	.89		.57	.77
NET RECEIVABLES	23.04	20.45	22.33	20.84	26.80		22.74	19.19
INVENTORIES								
RAW MATERIALS	12.43	9.78	11.84	8.03	11.35		14.11	12.10
FINISHED PRODUCTS	.85	1.30	.70	1.05	.94		.61	.71
WORK IN PROCESS	2.32	1.94	2.11	2.18	2.84		2.45	1.35
OTHER INVENTORIES	.38	.11	.39	.01	.96		.12	.30
TOTAL INVENTORIES	15.98	13.13	15.05	11.27	15.78		17.29	14.44
OTHER CURRENT ASSETS	4.62	10.44	5.19	12.14	1.27		5.22	9.01
TOTAL CURRENT ASSETS	47.85	51.72	46.17	50.94	45.21		52.14	52.45
FIXED ASSETS								
REAL ESTATE	14.67	14.05	15.72	15.73	14.12		12.76	11.24
LESS ALLOWANCE FOR DEPRECIATION	3.34	4.68	3.64	5.11	1.77		3.48	4.36
NET REAL ESTATE	11.33	9.37	12.08	10.62	12.35		9.28	6.88
MACHINERY AND EQUIPMENT	60.21	48.81	60.64	43.46	62.73		58.09	55.93
LESS ALLOWANCE FOR DEPRECIATION	31.42	28.37	31.11	25.42	34.92		30.74	33.31
NET MACHINERY AND EQUIPMENT	28.79	20.43	29.53	18.05	27.80		27.35	22.62
OTHER FIXED ASSETS	6.01	6.16	5.74	7.86	11.88		4.42	4.10
LESS ALLOWANCE FOR DEPRECIATION	1.98	1.01	1.10	.65	5.88		2.21	1.73
NET OTHER FIXED ASSETS	4.04	5.15	4.64	7.20	6.00		2.21	2.37
TOTAL FIXED ASSETS	44.15	34.96	46.25	35.87	46.15		38.83	31.91
OTHER ASSETS	8.00	13.32	7.58	13.19	8.64		9.03	15.14
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00		100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE WITHIN ONE YEAR	5.67	3.20	4.31	1.32	9.44		5.85	3.56
ACCOUNTS PAYABLE	9.79	9.31	8.38	10.15	12.51		11.54	7.93
OTHER CURRENT LIABILITIES	5.68	5.26	5.80	5.38	5.36		5.57	5.04
TOTAL CURRENT LIABILITIES	21.13	17.77	18.49	16.84	27.30		22.96	16.53
LONG-TERM DEBT	27.69	21.01	27.00	26.41	28.15		29.57	14.70
OTHER LONG-TERM LIABILITIES	2.77	.50	1.38	.24	10.61		2.43	1.00
TOTAL LONG-TERM LIABILITIES	30.46	21.51	28.38	26.65	38.76		32.00	15.69
TOTAL LIABILITIES	51.59	39.29	46.88	43.49	66.07		54.96	30.62
TOTAL NET WORTH	48.41	60.71	53.12	56.51	33.93		45.04	69.38
TOTAL LIABILITIES AND NET WORTH	100.00	100.00	100.00	100.00	100.00		100.00	100.00

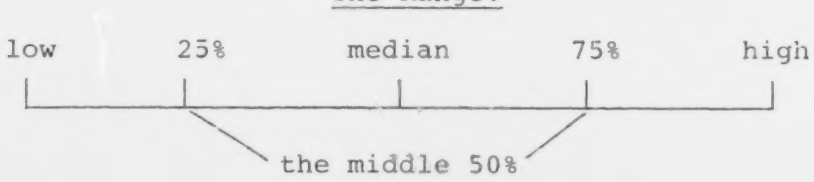
	DEALER ALL FIRMS	DEALER LEADERS	DEALER CONTINUOUS CUSTOM ALL FIRMS	DEALER CONTINUOUS CUSTOM LEADERS	DEALER UNIT SETS ALL FIRMS	DEALER UNIT SETS LEADERS	DEALER MIXED PRODUCT ALL FIRMS	DEALER MIXED PRODUCT LEADERS
EMPLOYEES								
PERCENT FACTORY	77.37	76.72	75.13	70.96	77.47		80.66	81.43
PERCENT ADMINISTRATIVE	11.04	11.27	11.67	14.38	13.19		8.95	7.18
PERCENT SALES	11.59	12.01	13.20	14.66	9.34		10.39	8.85
PRODUCTIVITY								
SALES PER GROSS PLANT INVESTMENT	2.17	2.22	1.95	2.06	2.43		2.46	2.47
SALES PER FACTORY EMPLOYEE	90369	94735	100248	103175	80714		79067	80256
SALES PER ADMINISTRATIVE EMPLOYEE	633332	644696	645424	508999	474196		711671	938764
SALES PER SALES EMPLOYEE	603470	605385	570428	499485	669453		613346	758184
SALES PER ALL EMPLOYEES	69921	72681	75314	73212	62531		63724	67394
SALES LESS MATERIAL / FACTORY EMPLOYEE	51577	58827	59103	69195	45233		43631	46853
FINANCIAL POSITION								
CURR ASSETS VS CURR LIABILITIES	2.26	2.91	2.50	3.02	1.66		2.27	3.13
LIABILITIES VS NET WORTH	1.07	.65	.88	.77	1.99		1.22	.44
DEBT VS EQUITY	.57	.35	.51	.47	.83		.66	.18
PAYROLL								
PAYROLL PER FACTORY EMPLOYEE	18989	19328	21731	23049	17121		16211	15630
PAYROLL PER ADMIN. EMPLOYEE	23304	28912	23660	29080	21254		24151	24517
PAYROLL PER SALES EMPLOYEE	18258	19737	17851	19832	19712		17514	17167
PAYROLL PER EMPLOYEE	19381	20458	21444	23445	17908		17057	16771
PREPRESS % OF FACTORY PAYROLL	13.10	13.45	14.27	14.43	12.11		11.64	12.42
PRESS % OF FACTORY PAYROLL	32.95	31.24	33.62	30.54	32.88		31.84	32.45
COLLATOR OPERATOR % OF FACTORY PAYROLL	20.10	22.53	20.98	24.51	19.16		19.00	19.77
GENERAL BINDERY % OF FACTORY PAYROLL	6.13	5.27	4.52	5.33	10.11		7.28	5.80
OVERTIME WAGES % OF FACTORY PAYROLL	3.91	2.30	4.17	1.46	3.45		3.77	3.78
TOTAL PAYROLL % OF SALES	33.01	33.76	34.05	37.63	33.79		31.66	31.12
TAXES AND BENEFITS								
TAXES AND BENEFITS / FACTORY EMPLOYEE	3666	3947	4219	4096	3115		3219	3923
TAXES AND BENEFITS / ADMIN. EMPLOYEE	4659	5542	5185	5017	4117		4147	7311
TAXES AND BENEFITS / SALES EMPLOYEE	2988	3534	3208	3249	2849		2653	4327
TAXES AND BENEFITS / EMPLOYEE	3697	4077	4198	4103	3222		3248	4207
ASSET TURNOVER								
INVENTORY TURNOVER TIMES PER YEAR	10.98	11.67	10.62	12.26	13.64		10.85	11.72
DAYS RAW MATERIAL IN INVENTORY	60.23	61.45	65.85	64.39	62.62		61.31	62.65
COLLECTION DAYS OF RECEIVABLES	47.92	48.71	50.99	55.03	45.45		44.25	41.34
INVESTMENT								
NET WORTH % OF FIXED ASSETS	109.63	173.69	114.86	157.53	73.52		115.58	217.63
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	41649	42671	51494	50050	33274		31700	33840
PROFIT								
GROSS PROFIT % OF SALES	20.80	26.62	22.04	30.97	19.25		19.59	22.12
INCOME BEFORE TAX % OF SALES	6.83	13.51	7.93	14.27	3.14		6.60	13.34
PROFIT % OF NET WORTH	24.75	34.09	23.87	34.90	19.89		27.51	32.53
CASH FLOW (ROI)	9.27	12.71	9.32	11.71	7.63		9.72	14.32
RETURN ON INVESTMENT	9.30	17.14	9.89	16.71	5.04		9.72	18.18

KEY RATIO ANALYSIS

What makes a particular firm a profit leader - or a profit laggard, or a middling also-ran? This is the question that causes most companies to participate in ratio studies and other market research programs. Unfortunately, ratio analysis alone will never answer this question. There are too many other variables that change the meaning though not the numerical measurement of pre-tax nets. However, study of industry ratios can improve your firm's performance and give you greater understanding of your firm and your industry.

This section contains two sets of aids for interpreting and using the ratios. The first set presents ranges for some of the key line items in the standard chart of accounts. Medians and averages are useful, but few firms will ever find their results are on the statistical mid-point. Ranges allow you to see whether your own firm's deviations are fairly typical or seriously wide of the mark.

The Range:



The Range: is the difference between the largest and smallest values.

Upper Quartile: is the range of values between the 75th percentile and the highest value, thus containing the values of the upper quarter of the participants.

Lower Quartile: is the range of values between the 25th percentile and the lowest value.

Median: is the value at the 50th percentile, where half of all the values are lower and half are higher. Similar to but not the same as an average.

The Middle 50%: contains half the values below the median and half above it; is usually a good technique for eliminating extremes.

The highs and lows are not given for firms with an annual sales volume of $8-15 million due to the small number of responses in this category. For the same reason, only the median is given for those firms with an average order size of 50-100,000

The second set of aids helps you examine the cause and effect of some key ratio items.

OUTSIDE PURCHASES

	Low	25th %	Median	75th %	High
Indirect	-	-	-	-	9.4
Direct	-	5.1	9.3	12.4	45.6
By Company Size:					
$0-3 million	-	-	4.4	16.7	18.6
$3-8 million	-	-	-	5.6	45.6
$8-15 million	-	-	-	0.6	11.1
$15+ million	-	-	0.8	5.1	10.5
By Avge. Order Size:					
0-10,000	-	-	0.8	10.8	45.6
10-25,000	-	-	-	5.2	17.3
25-50,000	-	-	3.6	11.9	19.9

MATERIALS

	Low	25th %	Median	75th %	High
Indirect	23.6	39.7	44.4	46.9	59.4
Direct	35.1	40.6	43.6	50.2	56.8
By Company Size:					
$0-3 million	39.0	40.5	43.2	44.9	54.0
$3-8 million	23.6	39.8	45.0	47.7	59.4
$8-15 million	36.5	38.8	44.2	48.7	57.8
$15+ million	30.5	38.1	44.6	52.0	60.5
By Avge. Order Size:					
0-10,000	23.6	36.7	40.4	43.4	53.4
10-25,000	35.1	41.1	44.7	46.8	59.4
25-50,000	40.9	46.4	51.1	56.8	57.8

FACTORY PAYROLL

	Low	25th %	Median	75th %	High
Indirect	11.4	22.1	24.0	26.7	34.9
Direct	10.9	15.9	19.4	23.2	26.7
By Company Size:					
$0-3 million	14.6	21.2	23.2	23.6	25.6
$3-8 million	10.9	20.4	24.3	26.7	32.1
$8-15 million	15.9	19.0	21.1	24.4	34.9
$15+ million	10.9	15.4	23.6	26.9	34.4
By Avge. Order Size:					
0-10,000	12.1	21.3	23.6	26.6	30.0
10-25,000	11.4	20.5	23.8	26.0	34.9
25-50,000	10.9	15.7	17.9	21.8	27.1

FACTORY EXPENSE

	Low	25th %	Median	75th %	High
Indirect	3.6	5.3	6.3	7.8	11.7
Direct	2.8	4.1	5.7	7.7	11.2
By Company Size:					
$0-3 million	6.1	6.9	8.3	10.2	11.2
$3-8 million	2.8	4.7	5.9	7.6	11.7
$8-15 million	3.2	4.1	5.6	7.2	10.8
$15+ million	2.0	3.6	5.0	6.3	9.6
By Average Order Size:					
0-10,000	3.9	5.1	7.5	9.9	11.2
10-25,000	2.8	5.2	5.9	6.9	11.7
25-50,000	3.1	3.7	4.5	7.5	8.8

GROSS PROFIT

	Low	25th %	Median	75th %	High
Indirect	6.3	15.8	19.0	22.9	41.3
Direct	19.7	23.6	26.9	29.4	33.6
By Company Size:					
$0-3 million	6.3	20.6	21.4	24.2	32.9
$3-8 million	13.0	17.9	21.3	27.1	41.3
$8-15 million	13.9	15.3	20.2	30.0	33.6
$15+ million	12.0	15.5	26.5	29.1	33.6
By Average Order Size:					
0-10,000	17.9	21.2	25.2	27.6	41.3
10-25,000	6.3	16.9	19.7	26.6	33.6
25-50,000	12.0	17.0	24.5	30.0	31.0

ADMINISTRATIVE EXPENSE

	Low	25th %	Median	75th %	High
Indirect	3.8	4.9	7.0	9.0	23.0
Direct	4.9	6.2	8.2	9.4	14.9
By Company Size:					
$0-3 million	4.8	7.2	9.2	11.1	14.9
$3-8 million	4.0	5.7	7.8	9.1	23.0
$8-15 million	3.8	4.4	5.0	8.3	12.3
$15+	3.9	4.7	5.9	10.1	12.4
By Average Order Size:					
0-10,000	4.7	8.1	9.6	10.8	23.0
10-25,000	3.9	5.4	7.3	8.7	12.3
25-50,000	3.8	4.9	5.7	8.1	10.1

SELLING EXPENSE

	Low	25th %	Median	75th %	High
Indirect	2.0	4.2	5.9	6.8	12.4
Direct	7.8	12.4	13.5	16.9	21.1
By Company Size:					
$0-3 million	2.6	6.3	7.5	13.3	16.4
$3-8 million	2.0	4.5	6.2	12.3	18.0
$8-15 million	3.1	3.6	6.7	13.6	21.1
$15+ million	4.1	6.7	9.4	12.4	17.5
By Average Order Size:					
0-10,000	2.6	5.1	7.5	12.7	18.0
10-25,000	2.0	4.6	6.5	11.7	21.1
25-50,000	3.6	7.9	13.4	15.7	16.7

NET PRE-TAX INCOME

	Low	25th %	Median	75th %	High
Indirect	(7.4)	3.0	5.1	8.4	22.2
Direct	(6.4)	1.1	2.8	8.3	12.8
By Company Size:					
$0-3 million	(7.4)	(4.8)	1.4	4.2	8.6
$3-8 million	(6.4)	1.7	4.9	8.3	22.2
$8-15 million	0.7	3.5	5.6	12.8	18.3
$15+ million	(3.4)	3.7	7.0	8.3	10.5
By Average Order Size:					
0-10,000	(5.9)	1.2	3.9	9.6	18.3
10-25,000	(7.4)	2.7	5.1	8.3	22.2
25-50,000	(3.4)	0.4	4.2	7.3	12.8

RETURN ON INVESTMENT

	Low	25th %	Median	75th %	High
Indirect	(7.7)	4.2	7.2	13.3	28.5
Direct	(11.5)	0.7	4.1	10.1	17.0
By Company Size:					
$0-3 million	(7.7)	(6.1)	1.7	6.0	10.9
$3-8 million	(11.5)	3.0	7.5	12.9	28.5
$8-15 million	0.8	4.8	8.7	14.1	20.7
$15+ million	(7.6)	4.0	10.1	17.0	18.0
By Average Order Size:					
0-10,000	(6.1)	1.5	5.6	13.0	20.8
10-25,000	(11.5)	4.1	7.2	12.4	28.5
25-50,000	(7.6)	0.5	5.4	13.3	15.0

GROSS INVESTMENT PER EMPLOYEE

	Low	25th %	Median	75th %	High
Indirect	10,848	31,325	37,924	49,548	87,076
Direct	18,209	35,130	49,588	60,304	81,393
By Company Size:					
$0-3 million	19,112	35,430	42,996	50,317	72,405
$3-8 million	10,848	28,344	34,894	42,836	76,474
$8-15 million	18,209	38,272	52,009	60,722	65,335
$15+ million	11,309	37,515	47,531	72,450	87,076
By Avge. Order Size:					
0-10,000	21,466	30,057	38,526	49,135	72,405
10-25,000	10,848	31,760	37,524	54,457	81,393
25-50,000	11,310	28,263	52,317	60,618	76,474

COLLECTION DAYS OF RECEIVABLES

	Low	25th %	Median	75th %	High
Indirect	25	37	44	55	63
Direct	37	41	49	60	75
By Company Size:					
$0-3 million	26	41	48	56	76
$3-8 million	25	37	41	51	62
$8-15 million	32	36	51	57	63
$15+ million	37	49	59	63	65
By Avge. Order Size:					
0-10,000	26	36	45	57	63
10-25,000	25	37	46	54	76
25-50,000	39	40	46	62	65

PRODUCTION DAYS, RAW MATERIALS INVENTORY

	Low	25th %	Median	75th %	High
Indirect	20	41	55	78	95
Direct	26	33	47	58	81
By Company Size:					
$0-3 million	40	46	60	82	85
$3-8 million	20	37	51	72	89
$8-15 million	26	29	47	87	94
$15+ million	26	33	59	69	95
By Average Order Size:					
0-10,000	28	52	70	80	95
10-25,000	20	35	47	70	94
25-50,000	27	31	47	57	69

ANNUAL INVENTORY TURNOVER

	Low	25th %	Median	75th %	High
Indirect	6.5	9.5	11.8	15.8	24.5
Direct	5.9	7.6	9.6	12.8	17.1
By Company Size:					
$0-3 million	7.3	7.7	9.6	12.5	17.7
$3-8 million	6.4	10.5	12.8	16.1	20.6
$8-15 million	5.9	9.3	10.5	12.8	24.5
$15+ million	6.4	7.7	8.3	10.5	11.8
By Average Order Size:					
0-10,000	7.6	9.4	10.6	13.4	20.7
10-25,000	6.4	9.0	12.2	15.1	24.5
25-50,000	6.4	7.8	8.8	12.2	17.1

CASH AS PERCENT OF ASSETS

	Low	25th %	Median	75th %	High
Indirect	(2.7)	0.8	2.1	6.2	37.7
Direct	(5.6)	3.1	12.1	17.4	25.1
By Company Size:					
$0-3 million	0.6	0.9	1.5	2.0	14.2
$3-8 million	(1.4)	1.0	3.4	11.6	37.7
$8-15 million	(0.4)	0.1	2.2	19.1	25.1
$15+	(5.6)	1.3	1.9	2.2	6.0
By Average Order Size:					
0-10,000	(2.7)	1.4	7.1	20.1	37.7
10-25,000	(5.6)	0.1	2.1	4.0	22.4
25-50,000	(0.4)	0.2	0.8	2.1	25.1

NET WORTH

	Low	25th %	Median	75th %	High
Indirect	(18.3)	63.9	98.4	136.1	530.2
Direct	(1.9)	88.1	127.4	220.2	902.1
By Company Size:					
$0-3 million	5.9	39.0	115.7	129.3	282.6
$3-8 million	(1.9)	64.9	95.6	143.2	530.2
$8-15 million	33.6	82.1	109.6	225.8	902.1
$15+ million	(18.3)	88.1	148.8	158.6	473.1
By Average Order Size:					
0-10,000	(1.9)	105.8	123.3	150.0	324.3
10-25,000	5.9	64.6	96.9	174.3	530.2
25-50,000	(18.3)	47.8	90.1	143.1	225.8

DEBT VS. EQUITY

	Low	25th %	Median	75th %	High
Indirect	(12.5)	0.1	0.5	1.0	20.0
Direct	(13.7)	0.0	0.1	1.0	2.8
By Company Size:					
$0-3 million	0.1	0.3	0.6	2.4	19.9
$3-8 million	(13.7)	0.1	0.5	0.9	5.3
$8-15 million	0.0	0.1	0.4	1.0	2.8
$15+ million	(12.5)	0.0	0.0	0.6	1.4
By Average Order Size:					
0-10,000	(13.7)	0.1	0.5	0.6	2.8
10-25,000	0.0	0.1	0.5	1.0	19.9
25-50,000	(12.5)	0.0	0.4	1.4	2.2

ANALYSIS OF CAUSAL RATIOS

Ratio	Ratio Compared To Industry Norm	Operating Penalty	Possible Factors Affecting Ratio	Potential Solutions
DAY'S SALES UNCOLLECTED Credit Sales ÷ 365 = X Receivables ÷ X = Day's Sales	High	Reduced working capital--- Short-term interest cost	Product quality substandard	Establish quality assurance department
			Invoice accuracy problems	Order processing accounting changes
			Invoice timing problems	Automation of invoicing
			Inadequate credit management practices	Establish credit department, cash discounts
	Low	Lost sales	Credit policy too restrictive	Modify selling terms
			Cash and carry policy	Establish credit terms
INVENTORY TURNOVER Cost of sales ÷ avg. inventory	High	Lost sales	Delivery lead-time policy	Establish shelf stock to improve delivery
			Build-to-order policy	Forecast requirements
	Low	Reduced working capital--- Short-term interest cost	Untimely forecast	Automate forecasting/update regularly
			Inflexible scheduling	Revise master schedule/capacity plan
			Delivery lead-time policy	Lenghten delivery lead-time
			Inflexible material planning	Implement material requirements planning
			Poor variance control	Establish standard/measure variance
NET SALES/NET WORTH	High	Reduced working capital--- Short-term interest cost	High debt/equity ratio	Improve cash flow: shorten collection period,etc.
			Overtrading	Improve cash flow: shorten collection period, etc.
			Sales policies	Develop marketing plan
	Low	Lost sales	Undertrading	Increase debt-increase development and marketing budget

ANALYSIS OF CAUSAL RATIOS (cont'd)

Ratio	Ratio Compared To Industry Norm	Operating Penalty	Possible Factors Affecting Ratio	Potential Solutions
PRETAX INCOME/SALES	High	None		
	Low	Reduced working capital--- Short-term interest cost	Pricing policies	Improve costing to determine break-even point
			High interest costs	Improve receivables collection inventory turnover
			Obsolete products	Improve responsiveness of inventory system
			Lack of product line planning	Forecasting and marketing share analysis
FIXED ASSETS/NET WORTH	High	Reduced working capital Short-term interest cost	Lack of ROI analysis	Capital budgeting procedures
	Low	Reduced capacity	Lack of facility planning	Facility planning organization
		Missed shipments	Scheduling problems	Formailized scheduling
		High rent costs	Lack of lease approval procedures	Capital budgeting procedures
MISC. ASSETS/NET WORTH	High	Depressed working capital	Management acquisition policy	Change acquisition policy

ANALYSIS OF EFFECT RATIOS

RATIO	PRINCIPAL EFFECT MEASURED
Current Ratio	Liquidity of company and ability to meet current obligations.
Current Liabilities-To Net Worth or Total Libailities-To-Net Worth	The relative freedom of the company from creditor pressures which tend to restrict operating latitude, the current debt being that which is most pressing in nature.
Inventory-To-Working Capital	The dependence of working capital on the stated valuc of inventory.
Trade Receivables-To-Working Capital	The dependence of working capital on the stated value of receivables.
Long-Term Liabilities-To-Working Capital	The ability of the company to retire long-term debt and still remain liquid.
Net Profit-To-Net Worth	The return on invested capital.
Net Sales-To-Fixed Assets	The utilization of the company's capital investment.
Net Sales-To-Working Capital	The ability of working capital to support the volume of sales.

International Business Forms Industries, Inc.

STANDARD CLASSIFICATION OF ACCOUNTS FOR BUSINESS FORMS COMPANIES

I. **Net Sales** -- The balance of Gross Sales for the period less Cash Allowances and Sales Discounts Earned is Net Sales.

A-E. **Business Forms Manufactured and Sold** -- Net sales of forms and printed products manufactured in your plant. Report separately the sales made through dealers and other manufacturers and the sales made directly to consumers.

G. **Forms Manufactured in Their Entirety by Others** -- Net sales of all forms sold by your company without further processing in your plant.

H. **Services and Other Products** -- Net sales of all non-printed products whether manufactured by your company or purchased for resale; and receipts for services provided and billed for such as inventory management, warehousing, systems design, etc.

II. **Employee Breakowns**

Classifying Employees:

Factory includes prepress personnel, machine operators and helpers, bindery personnel, maintenance and janitorial personnel, and any clerical staff that are concerned solely with production, e.g. production clerk-typists, production schedulers, inventory clerks, expediters, quality control and the like.

Administrative includes all executives or officers active in the business, their secretaries, all accounting personnel, receptionists/switchboard staff, all data processing personnel, all purchasing personnel, general file clerks, all employees of the personnel department, finished goods inventory personnel, and credit department.

Sales includes all salesmen, sales and/or marketing managers, any advertising personnel, sales service personnel, estimators, order writers, any clerical personnel assigned to the sales department and all shipping and delivery personnel.

Split duties: Personnel whose duties put them into more than one of the above categories should be split up according to a rough estimate of time, e.g. 1/3 to sales and 2/3 to production. Part-time employees should be counted as a fraction, e.g. 1/2 if an employee works a 20-hour week. Any employees who are considered to be full-time but are temporarily on short hours due to market or similar conditions should still be counted as full-time.

Operating Statement

Item

1 VALUE OF PRODUCTION -- Business Forms Manufactured and Sold.

Work in Process and Finished Goods ... Beginning of Period ... End of Period -- The inventory of work in process and finished goods at the beginning of the period is deducted from Net Sales, and the inventory of work in process and finished goods at the end of the period is added, to obtain the Value of Production for the period.

Direct Materials Used

2 Paper -- Including Carbonless Paper and Freight Expense -- Do not decrease the cost of paper by sale of scrap and plates. These proceeds should be included in other income (line 51).

3 Carbon Paper -- Includes freight expense. Include here the direct cost of carbon paper manufactured for your own use.

Item

4 Other Direct Materials -- Trade composition, binding, ink, cartons and other materials.

5 Outside Finished Products -- Cost of forms manufactured in their entirety by others and sold without further processing in your plant.

These accounts (items 2 through 5) adjusted for changes in raw material inventory, summarize the cost value of materials and outside purchases chargeable to customers or used to increase finished goods or work-in process inventories during the period.

Factory Payroll

7 Supervisory Salaries -- This account will be restricted to the compensation earned by the following factory personnel: Plant manager, plant supervisor and foreman (restricted to the following direct department foremen), prepress foreman, press foreman, collator foreman, and general bindery foreman, and an allocation of compensation earned by executives for time devoted to factory production, and to preparation and scheduling thereof.

Wages-Direct -- This account shows wages, to include vacations, holidays, sick pay, and overtime premiums paid to factory employees (including apprentices and helpers) directly engaged in production. The category has been broken down as follows: (See Item II, Employee Breakdowns, for classification of employees).

8 Prepress -- Artists, designers, strippers, hot and cold typesetters, camera operators, plate makers, and other preparatory department employees.

9 Press -- Press operators and helpers.

10 Collator Operators -- Roll collator operators and helpers.

11 General Bindery -- Operators of tippers, drills, stitchers, paper cutters, film or shrink-wrapping machines, wrappers, and packagers (do not include general shipping room labor when engaged only in placing product in the carton), belt folders, interleavers, and padders.

12 Total Paid to Direct Employees -- The total direct wages paid to employees including overtime amounts shown in item 13.

13 Direct Employee Overtime Wages -- Includes overtime and premium time pay. These amounts are to be included in item 12 above.

14 General Factory Salaries and Wages -- This account will be restricted to the wages of all factory employees other than those covered under supervisory salaries, wages direct, packing and shipping, and delivery wages. Wages should include compensation for vacations, sick leave, holidays, bonuses, and overtime premiums. Examples of employees in this category will be as follows: Warehouse and material handlers, baler operators, maintenance (plant and machine), janitorial help, watchmen, foreman of any nondirect labor department, secretaries to factory supervisors, production clerk/typists, order editors, production planners, production schedulers, production control, inventory clerk (raw materials), expeditors, change coordinators, job ticker and negative file clerks, quality control, and industrial engineers.

15 Packing, Shipping, and Delivery Wages -- This account includes shipping clerks, traffic and routing clerks, packers (not to be confused with packagers which are included in the direct wage account, general bindery), truck drivers, and shipping department foremen.

16 Payroll Taxes (Federal, state, local) -- This account is charged with government taxes for retirement, unemployment benefits, etc.

Item

17 Employee Benefits -- This account is charged with premiums or other expense of disability or sick benefit insurance or plans, life insurance, pension, retirement or profit-sharing plans, etc. as they cover factory employees.

18 Total Payroll -- does not include line 13.

FACTORY EXPENSES

Factory Fixed Expenses -- Only those which relate to manufacturing facilities.

19 Occupancy Expense -- Rent, heat, utilities, leasehold improvements, building depreciation and amortization, and building maintenance.

20 Insurance -- Real estate, property, and strike insurance.

21 Taxes -- Real estate and property.

22 Depreciation -- Current charge to accumulated depreciation accounts of fixed assets. Payments for rent or lease of machinery or equipment are, for purposes of this report, included as depreciation. (See Balance Sheet definitions, Fixed Assets)

23 Total Factory Fixed Expenses

24 Other Factory Supplies and Expenses

Prepress Supplies and Expense -- Film plates, chemicals, parts, repairs, etc.

Press Supplies and Expense -- Numbering machines, recovering rollers, fountain solutions, blankets, punches, dyes, perf wheels, parts, repairs, etc.

Collator Supplies and Expense -- Includes glue, perf rules, parts, repairs, etc.

General Bindery Supplies and Expense -- Supplies, boxes (not cartons), film wrap, staples, twine, etc.

Packing and Shipping Materials and Supplies -- Include freight cost in item 46.

26 FACTORY COST OF PRODUCTION -- This item is the sum of the Material Used, Factory Payroll, and Factory Expenses items noted above.

27 GROSS PROFIT - FORMS MANUFACTURING -- The credit remaining after deducting Factory Cost of Production from Value of Production - Forms Manufacturing.

OTHER OPERATIONS

Many predominantly business forms companies manufacture, and or sell other products and services. The sales value and costs of these other operations should not be included in the report on forms manufacturing activities. Alternately, the administrative and selling expenses incurred in these other activities often cannot be logically separated from the forms operation. This is also especially true of reporting the financial position on the balance sheet.

Item

For those companies which cannot logically separate these operations, the IBFI Standard Classification provides a standardized treatment of these items so that the ratios of all companies are roughly comparable.

28 Value of Other Products and Services -- Net sales (Item I. H) adjusted for changes in work in process and finished goods inventories.

If the value of these other products or services are included in the price of forms, (and therefore within Items I. A through E), and they are substantial enough to understate your Cost of Forms Manufacturing ratios, some separation from the sales and costs of forms is desirable. The Chart of Accounts recommends computing the Value of Other Products and Services by applying a reasonable or representative mark-up to the cost of producing or providing these products or services. Be sure that this computed Value of Other Products or Services is not also included in Item 1, Value of Production - Forms Manufacturing or in Item I. F, Business Forms Sales.

29 Cost of Other Products and Services -- The direct costs, excluding administrative and selling expenses, of producing or providing these other products or services.

30 Gross Profit - Other Products and Services -- The credit remaining after deducting costs from the value of these other operations.

31 Gross Profit - All Operations -- Item 27 plus Item 30. The ratio for Gross profit - All Operations and all following ratios are computed as a percent of Total Value of All Products and Services (Item 1 plus Item 28).

Administrative Expenses

32 Administrative Expenses - Salaries, Executive -- Includes total compensation paid to President, Treasurer, all officers active in the business, General Manager, Administrative Assistants, Controller, Accounting Supervisor, Credit Manager, Data Processing Supervisor, Director of Purchases, and Director of Personnel. If an executive spends a portion or all of his time in such areas as sales, or general plant superintendent, his salary should be allocated to those cost centers based on the percentage of time expended in each area.

33 Salaries, Office -- Includes office personnel such as secretaries to administrative executives, purchasing agent, billing clerk, bookkeeper, general file clerk, switchboard operator, data processing personnel, office manager, and finished goods inventory clerk.

34-35 Payroll Taxes - Employee Benefits -- These accounts are charged with items similar to those listed under the same classifications in Factory Payroll, as they apply to Administrative Employees.

36 General Office Expense -- This account covers all of the various general expenses such as office supplies and services (towels, minor repairs to office machines, etc.), stationery, postage, telephone and telegraph, legal and accounting fees, donations, dues, fees, and expenses of membership in trade and other associations (not primarily for selling), travel expense (not primarily for selling), space or occupancy expense, etc.

Item

37 Bad Debts -- This account provides for losses on uncollectible accounts. Some firms also include cost of credit reports, and collection expenses such as legal fees, court costs, etc.

Selling Expenses

39 Selling Expenses - Salaries, Executive -- Includes compensation to sales managers who do not primarily solicit sales, direct or dealer, marketing manager, sales trainer, sales administrator, sales promotion manager, advertising manager, and sales service manager.

40 Salaries and Commissions, Salesmen -- This account is charged with salesmen's salaries and commissions in connection with selling.

41 Sales, Sales Office Clerical -- Includes salaries of the estimator, sales service personnel, secretaries and stenographers working with sales, and order writers.

42-43 Payroll Taxes - Employee Benefits -- These accounts are charged with items similar to those listed under the same classifications in Factory Payroll, as they apply to Sales Department Employees.

44 Travel and Entertainment Expense -- Travel and miscellaneous expenses (such as entertainment of customers and prospects) are charged to this account.

45 General Selling Expense -- Space or occupancy expense, office supplies, telephone, etc.

46 Shipping and Delivery Expense -- This account includes such items as freight, express, parcel post, outside delivery services, etc. Report the net expense after delivery to the customer, i.e., the total difference between the amounts billed to the customer and the amounts paid for transportation expense to the customer.

47 Advertising -- Charge to this account the cost of mailing lists bought or compiled; the expense of preparing, printing, and mailing the firm's advertising; the cost of newspaper, radio or television advertising or promotion; directory, novelty, and other forms of advertising.

50 OPERATING INCOME OR LOSS -- This is the credit (Operating Profit) that remains after subtracting Total Administrative and Selling Expenses from Gross Profit. If the expenses exceed the Gross Profit, the difference is an Operating Loss.

Other Income and Expense

51-52 Other Income -- Include sale of scrap and plates in item 51.

54-55 Other Expense -- This category breaks out separately interest expense and miscellaneous other expenses.

57 Net Other Income or Expense -- This is the net difference between Other Income and Other Expense. If the net balance is Income, it is, of course, added to Operating Income; if the net balance is Expense, it is deducted from Operating Income.

58 NET INCOME OR LOSS (before Income Taxes)

Item

BALANCE SHEET

ASSETS

Current Assets

100 Cash -- This account shows cash in bank and on hand.

101 Notes and Accounts Receivable -- This account shows as a balance the face value of all notes and outstanding charges held against others.

102 Allowance for Bad Debts -- This makes provision for possible losses from uncollectible customers' accounts.

104-108 Inventories -- Raw Materials, Finished Products, Work in Process, and Other Inventories.

109 Other Current Assets -- Shows other current assets not already listed, such as prepaid expenses, etc.

Fixed Assets

111 Real Estate, Land, Buildings -- Represents the gross cost or value of these investments. For purposes of this report, leaseholder should capitalize their rental expense. In several states an acceptable formula is to multiply your annual rent by 8. The liability could be reported in item 98, long-term liabilities.

112 Allowance for Depreciation on Buildings -- Measures the estimated cumulative depreciation.

114 Machinery and Equipment -- Capitalize leases as in item 111.

115 Allowance for Depreciation on Machinery and Equipment -- Measures the estimated cumulative depreciation.

117 Other Fixed Assets -- This account shows all other fixed assets not listed above.

118 Allowance for Depreciation on Other Fixed Assets -- Measures the estimated cumulative depreciation.

121 Other Assets -- Covers any other assets not listed above.

LIABILITIES

Current Liabilities

123 Notes Payable Within One Year -- This account shows obligations of the business, such as negotiable paper or other written promises, which the firm is to pay within one year.

124 Accounts Payable -- Shows the liability of the business for the total of balances owed creditors and due currently.

125 Other Current Liabilities -- This account shows all other obligations payable within one year.

Item

127 Long-Term Debt -- This account shows long-term obligations of the business, in excess of one year (do not include current portions of debt).

128 Other Long-Term Liabilities -- Such as deferred taxes and deferred income.

131 NET WORTH -- This account equals total assets minus liabilities. It includes any of these capital accounts:

Corporation Capital Stock, Issued and Outstanding -- This account represents the aggregate par or stated value of the original and subsequent investments made by stockholders in the Common or Preferred Stock of a corporate form of business, less any subsequent redemptions.

Corporation Surplus and Undivided Profits (Retained Earnings) -- This account, usually found only on the books of a corporation, shows the cumulative earnings of the business not distributed as dividends and not specifically reserved for some definite purpose.

Proprietary Capital (Individual Proprietorship or Partnership) -- This account shows the present net worth or net capital of the individual proprietorship or partnership form of business.

CLASSIFYING EMPLOYEES

Part-Time Employees

One of the important facts shown in the IBFI Ratio Study is the number of full-time employees in the average firm. This is the basis for computing the highly significant Pay per Employee, and Production or Sales per Employee.

It is necessary, therefore, that your listing of the number of employees in your firm be reasonably accurate. Note that the information requested is the average number of *"full-time"* employees.

If your firm has a substantial number of part-time employees you should count them as a proportionate number of full-time employees. For example, if you have 20 part time employees who work an average of 3 months (¼ of a year), they would be equivalent (¼th of 20) to 5 full-time employees.

Split-Time Employees

It is also important that employees be classified correctly as between Factory, Administrative (office), and Selling. There are some employees whose functions overlap into two or more of these areas. For any employees, especially Executives, whose time and effort are divided between Factory (Production), Administrative and/or Selling, accuracy requires that their salaries or wages be split or apportioned accordingly.

If only a minor amount of the executive's or employee's time is split, he should be classed, and his entire wage or salary apportioned to his predominant function – Factory, Administrative, or Selling. Where a split is indicated, a reasonable estimate of the split or apportionment is all that is necessary. The same rule applies to allocating production employee time between departments or jobs.

Split-Time Employees - continued

Estimators: If their function is primarily to prepare estimates for sales purposes, they should be classed as Selling Clerical. If their time is split between preparing sales estimates (Selling), checking Job Cost Sheets and preparing them for billing (Administrative), and/or compiling production records and standards (Factory), their time (salaries) should be split and apportioned accordingly.

Production Control or Scheduling: Employees who schedule and follow jobs through production to completion and delivery, should be classed as General Factory regardless of whether the work is done in the plant or in the office.

Sales Expediters: Employees whose primary job is to take over from salesmen the details of job preparation (ordering art work, photos and photo-engraving, maintaining customer contact for copy, proofs, etc.), should be classed as Selling Clerical. If they also follow jobs through the plant for production or production scheduling (Factory), their time (salaries) should be split accordingly between Selling Clerical and General Factory.

Purchasing Agents: Employees who specify and order paper, ink, and other Materials and Factory Supplies, should be classed as General Factory.

In Classifying employees, the *function* of the employee is the important consideration, not where the work is performed. Where doubt exists as to classification or split, preference should be given first to Factory, then to Selling, and finally to Administrative.

Proprietor's and Partner's "Salaries"

Proprietors or Partners should always include in their expenses of the business an adequate "salary" for their services, even if it is not actually drawn regularly. Otherwise, the real comparable profits of an unincorporated business may be grossly overstated. Of course, these "salaries" must later be deducted from expense in making tax returns. But they should be included in the expenses shown in IBFI Ratio reports from proprietorships and partnerships.

These Proprietor's or Partner's "salaries" should always be apportioned between Factory, Administrative and Selling according to reasonable estimates of time spent on each of these phases of the business, as explained above.

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1730 North Lynn Street, Arlington, Virginia 22209

OPERATING COST SCHEDULE FOR BUSINESS FORMS COMPANIES

International Business Forms Industries/PIA
1730 North Lynn Street
Arlington, Virginia 22209

Fiscal year ended _____

PLEASE!

Company code _____

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

Zip code _____

Number of plants covered by this report _____

READ THE DEFINITIONS BEFORE COMPLETING THIS REPORT
COMPLETED QUESTIONNAIRES SHOULD BE RETURNED NO LATER THAN MARCH 16

	To Dealers		To Consumers		Total
I. Sales by Product and Distribution					
Business Forms:					
A. Continuous Custom	$_____	+	_____	=	$_____
B. Continuous Stock	$_____	+	_____	=	_____
C. Unit sets	_____	+	_____	=	_____
D. Sales/manifold books	_____	+	_____	=	_____
E. Commercial printing and other forms	_____	+	_____	=	_____
F. **Total products manufactured** *(sum of A-E)*	$_____	+	_____	=	$_____
G. Forms manufactured in their entirety by others	_____	+	_____	=	_____
H. Services and other products	_____	+	_____	=	_____
I. **Total Sales** *(sum of F-H)*	$_____	+	_____	=	$_____

II. Employee break-downs *(numbers of all paid employees including executives, partners, or owners)*:

J. Factory *(average)* _____

K. Administrative *(average)* _____

L. Sales Department *(average)* _____

M. Total employees *(sum of J-L)* _____

III. Average Order Size—number of sets in an average order *(check one)*:

☐ Under 10M ☐ 10-25M ☐ 26-50M ☐ 51-100M ☐ Over 100M

PLEASE!

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

FORMS MANUFACTURING

Computation of Value of Production—Forms Manufacturing

	Omit Cents	Omit Cents
Net sales for latest fiscal year *(item F from page 1)*		
Less work in process and finished goods, beginning of year balances		
Add work in process and finished goods, end of year balances		
1a. Value of products manufactured		
1b. Outside purchases *(item G from page 1)*		
1. **Value of Production—Forms Manufacturing** *(1a. plus 1b.)*		
Cost of Production:		
Materials:		
2. Paper		
3. Carbon		
4. Other *(trade composition, binding, ink, carbons)*		
5. Outside finished products		
6. Total materials used *(sum of items 2-5)*		
Factory Payroll:		
7. Supervisory salaries		
Direct Wages *(including overtime but not payroll taxes or benefits)*		
8. Prepress		
9. Press		
10. Collator Operators		
11. General binders		
12. Total paid to direct employees *(sum of items 8-11)*		
13. Direct employee overtime wages *(included in 12 above)*		
14. General factory salaries and wages		
15. Packing, shipping, and delivery wages		
16. Payroll taxes for all employees		
17. Employee benefits for all employees		
18. Total factory payroll *(sum of items 7, 12, 14, 15, 16, 17; exclude line 13)*		
Factory Fixed Expenses:		
19. Occupancy expense		
20. Insurance		
21. Taxes *(real estate, property)*		
22. Depreciation		
23. Total factory fixed expenses *(sum of items 19-22)*		
24. Other factory supplies and expense		
25. Total factory expense *(sum of items 23, 24)*		
26. Total cost of production *(sum of items 6, 18, 25)*		
27. Gross profit—Forms Manufacturing *(item 1 less item 26)*		

PLEASE!

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

	Omit Cents	Omit Cents
OTHER OPERATIONS		
28. Value of other products or services *(item H adjusted for changes in inventories)*		
29. Cost of other products or services		
30. Gross Profit—Other Products or Services *(item 28 less item 29)*		
Forms Manufacturing and Other Operations		
31. Total Gross Profit—All Operation *(item 27 plus or minus 30)*		
Administrative Expenses		
32. Salaries, executive		
33. Salaries, office		
34. Payroll taxes		
35. Employee benefits		
36. General office expense		
37. Bad debts		
38. Total administrative expense *(sum of items 32-37)*		
Selling Expense		
39. Salaries, executive		
40. Salaries and commissions, salesmen		
41. Salaries, sales office clerical		
42. Payroll taxes		
43. Employee benefits		
44. Travel and entertainment expense		
45. General selling expense		
46. Shipping and delivery expense		
47. Advertising		
48. Total selling expense *(sum of items 39-47)*		
49. Total administrative and selling cost *(items 38 and 48)*		
50. Operating income (loss) *(item 31 less item 49)*		
Other Income and Expense *(Please be sure to put negative items in parentheses)*		
51. Gross proceeds from sale of scrap		
52. Other income		
53. Total other income *(items 51 & 52)*		
54. Interest expense		
55. Other expense		
56. Total other expense *(items 54 & 55)*		
57. Net other income (expense) *(item 53 less item 56)*		
58. Net income (loss) before income taxes *(item 50 plus or minus item 57)*		

(OVER FOR BALANCE SHEET)

PLEASE!

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

BALANCE SHEET
ASSETS

		Omit Cents	Omit Cents
Current Assets			
100.	Cash		
101.	Notes and accounts receivable		
102.	Less allowance for bad debts		
103.	Net receivables *(item 101 less item 102)*		
Inventories			
104.	Raw materials		
105.	Finished products		
106.	Work in process		
107.	Other inventories		
108.	Total inventories *(sum of items 104-107)*		
109.	Other current assets		
110.	Total current assets *(sum of items 100, 103, 108, 109)*		
Fixed Assets			
111.	Real estate *(land and building)*		
112.	Less allowance for depreciation on buildings		
113.	Net real estate *(item 111 less 112)*		
114.	Machinery and equipment		
115.	Less allowance for depreciation on machinery and equipment		
116.	Net machinery and equipment *(item 114 less item 115)*		
117.	Other fixed assets		
118.	Less allowance for depreciation		
119.	Net other fixed assets *(item 117 less item 118)*		
120.	Total fixed assets *(items 113, 116, 119)*		
121.	Other assets		
122.	Total assets *(items 110, 120, 121)*		

LIABILITIES AND NET WORTH

Current Liabilities			
123.	Notes payable within one year		
124.	Accounts payable		
125.	Other current liabilities		
126.	Total current liabilities *(sum of items 123-125)*		
127.	Long-term debt		
128.	Other long-term liabilities		
129.	Total long-term liabilities *(sum of items 127 and 128)*		
130.	Total liabilities *(items 126, 129)*		
131.	Total net worth *(item 122 less 130)*		
132.	Total liabilities and net worth *(items 130 and 131)* *(Item 132 = 131 + 122)*		

NAME OF PERSON TO CONTACT IN CASE OF QUERIES: _____

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